



COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016
COUNCIL CHAMBER

June 17, 2025

- 7:30 AM

- 1 Call to Order
- 2 Pledge of Allegiance
- 3 Roll Call
- 4 Approval of Minutes
 - A April 8, 2025 EDA Meeting Minutes
- 5 Business Items
 - A Hotel Room Leakage Analysis Report
 - B Economic Development Update
 - C Resolution Modification - 2024-01
 - D 9430 East Point Douglas Road Purchase Agreement
 - E 2025 Facade Improvement Program
 - F National Community Survey Report
 - G Housing and Redevelopment Authority Preliminary 2026 Levy Adoption
- 6 Public Hearings
- 7 Other Business
- 8 Workshop
- 9 Presentations
- 10 Adjournment



MINUTES

April 8, 2025

COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY MEETING

12800 Ravine Parkway South
Cottage Grove, MN 55016

COUNCIL CHAMBERS - 7:30 A.M.

Pursuant to due call and notice thereof, a joint meeting of the Economic Development Authority was held on the 8th day of April, 2025, at 7:30 a.m.

1. CALL TO ORDER

The Cottage Grove Economic Development Authority (EDA) meeting was called to order at 7:30 a.m. by EDA President Myron Bailey.

2. PLEDGE OF ALLEGIANCE

EDA President Bailey asked everyone to please stand and join in reciting the Pledge of Allegiance.

3. ROLL CALL

Alexa Anderson, Communications Specialist, called the roll:

EDA President Bailey-Here; EDA Vice President Olsen-Absent; EDA Member Jean-Baptiste-Here; EDA Member Khambata-Arrived after Roll Call; EDA Member Latack-Here; EDA Member Scott-Here; EDA Member Tschida-Here.

Staff Present: Gretchen Larson, Economic Development Director
Emily Schmitz, Community Development Director
Phil Jents, Communications Manager
Alexa Anderson, Communications Specialist
Jaime Mann, Assistant to the City Administrator

Others Present: None.

4. APPROVAL OF MINUTES

A. *Staff Recommendation: Approve the February 11, 2025 Economic Development Authority & CVB Joint Meeting Minutes.*

EDA Member Scott made a motion to approve the February 11, 2025 Economic Development Authority & CVB Joint Meeting Minutes. Motion was seconded by EDA Member Tschida. Motion passed unanimously (5-to-0 vote).

5. BUSINESS ITEMS

A. Plaque Presentations - EDA Members Dan Myers and Chris Carey
Staff Recommendation: Present Dan Myers and Chris Carey with an appreciation plaque.

EDA President Bailey said two of our members have recently gone off the EDA, and one of those members is here this morning so we get to recognize him. Both of these members were on the EDA a little bit longer due to COVID, and so, the normal term kind of got extended for a few extra years because of COVID. I thought I would read a little bit about Dan Myers and also about Chris Carey, who is not here this morning; both served on the Economic Development Authority Board from June, 2017 to February, 2025.

So, in their eight years of service on the EDA Board, the City saw tremendous changes in which they obviously played a key role; these changes included many new businesses locating in the City, including Pizza Ranch, Culver's, Caribou Coffee, Bride & Jewel, Hy-Vee, Junction 70, Muddy Cow, McDonald's, TJ Maxx, Home Goods, Ulta Beauty, Salons by JC, and many more. As you can tell, they were here through all of that, so that was pretty amazing. Those also assisted in attracting new businesses to the City's Business Park, including Air Gas, NorthPoint, R.J. Schinner, Lumbermen's, Hohensteins, and now, most recently, Kwik Trip. They also assisted others in their growth and expansion efforts, including the expansions of Renewal by Andersen, Van Meter, Lumbermen's, and Up North Plastics. These changes also added billions, literally, in taxable value to the City's Tax Base. In addition, they helped the

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businesses to secure large grants from the State via the Minnesota Investment and Job Creation Fund, which helped them expand and stay in the City rather than relocating either outside of the City or to a different State.

During their service, we also undertook a hotel market feasibility study, a housing study, a small area plan now known as the Innovation Village, a stadium feasibility study, and a Convention and Visitors Bureau Strategic Tourism Plan, and funded a historical painting of the City, which we in turn used to create a City puzzle in partnership with Dowdle Studios. All of these strategic plans and projects helped guide the City forward and will continue to do so in the foreseeable future.

Housing was also important to the EDA, during their tenure we have The Legends, Norris Square, GROVE 80, Trellis (which is Bluestem), and many other multifamily complexes that were built in the City. These projects allowed the City to grow as well as allowed many seniors to be able to stay within our City.

Dan and Chris' determination to help the City grow in a responsible and sustainable manner was simply outstanding. So, I just want to say on behalf of myself and the City Council and I'm sure all the rest of us up here on the EDA, we want to extend our sincere appreciation for your outstanding service as an EDA Board Member and obviously to the City.

EDA President Bailey said it's interesting, and I don't think you realize, Dan, I know I don't, we kind of look back at the years you've been doing things, and then when you start seeing the list of all the things that you helped bring or support within the City, you kind of go, whoa, at least I do. You kind of go, wow, there was a lot happening in those eight years that you were on the EDA. So, what I'd like to do is I'm going to have you come up, and I'm going to come down, up front, and I'm going to present you with a plaque.

EDA President Bailey read aloud the plaque for Dan Myers for his extended term, June 2017 through February 2025, and presented the plaque to Dan. A photograph was taken, and everybody applauded.

B. Maxfield Research Housing Study

Staff Recommendation: Receive the Maxfield Research Housing Study.

Director Larson stated Mary Bujold is with Maxfield Research, and we hired them to do the housing study, and now she's here today to present it to you. EDA President Bailey said fantastic, welcome, Mary.

Mary said thank you. Chair Bailey and commissioners, it's my pleasure to be here this morning to briefly present the key findings from the housing analysis. I'm sure you've seen the larger document, which is quite extensive, and perhaps you haven't had a chance to get through it all at this point, but that's fine.

Project Scope

Objective: To provide an analysis of housing needs for the City

Approach: Provide a guide and framework to consider key housing priorities and current housing gaps

Project Deliverables:

- Short and long-term housing needs
- Recommendations guiding future housing development

Key Dates:

- Data Collection, 2nd & 3rd Quarters 2024
- Draft: October 2024
- Presentations: March and April, 2025

Cottage Grove Primary Market Area

70% of Demand: Cottage Grove, Woodbury, Newport, St. Paul Park, Grey Cloud Island Township, Denmark Township, Hastings

When we draw a primary market area, it's with the understanding that housing demand is actually somewhat fluid, and especially so in the Twin Cities metro area. We have people moving quite a bit between different communities, and in addition to that, within the identification of a primary market area, there will always be some demand that comes from outside of that area, which is this 30% of demand that will come from outside the area.

Then we look within that primary market area and the projected growth, what proportion of the demand would be capturable directly by the City of Cottage Grove. Within that, we look at the additional areas in the other communities, what their projected growth is going to be, what their land areas are, and then we assess and analyze where the potential demand for certain types of housing products would be capturable by the City.

So, Cottage Grove is definitely growing, but at a decelerating pace. I just want to mention, too, that that's not unusual. So, what we're seeing across the Twin Cities metro area and especially in communities that are primarily fully developed, although Cottage Grove is not at that point yet, is that we are starting to see a slow down in terms of population growth in many communities. We're also starting to see even though we're seeing household growth pretty much keep pace, and we're still seeing that decelerating pace from kind of this mid-area when development really zoomed in the Twin Cities. So, Cottage Grove experienced its greatest growth

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between 1960 and 1970, and then had a second, fairly substantial growth spurt between 1990 and 2000. Since 2000, growth has been steady, but at a decelerating pace, so a decelerating rate of growth, consistent with most other expanding metro area suburban cities.

For-Sale Home Prices Continue to Climb

For-Sale home prices continue to climb despite a modest downturn in For-Sale median home prices, they have generally continued to rise. We are seeing this throughout the Twin Cities metro area, we're seeing it throughout the State of Minnesota, the Upper Midwest, as well as across the nation. Price increases have knocked out some entry-level buyers, move-up buyers are largely staying put because many move-up buyers took advantage of those very low mortgage interest rates, and so they're just holding steady.

New construction is suppressed because of the slowdown in demand and supply-chain challenges. Accordingly, too, land prices have not decreased, which further exacerbates this problem. So, we're seeing challenges in terms of land costs throughout the market. I'm working with a number of different developers, primarily multifamily developers, and they are definitely not seeing land prices decrease; so, that's kind of compressing their margins and their ability to be able to make their numbers work. Many are seeking additional equity and capital stack so that they can reduce their reliance on mortgage lending.

Average Rent per Square Foot in Market Rate Rental Properties in the Primary Market Area

So, that is growing as well. There was a dearth of new apartment construction in the 1990s and 2000s, which then led to a substantial increase in multifamily development, beginning in the 2010s. An even greater number of units have opened recently, and despite this inflation, we are still seeing a lot of interest among multifamily developers in developing additional units, primarily because we're still having a lot of difficulty moving people into that For-Sale market. So, their alternative is to rent at least for a period of time or for a longer term. So, even though the new multifamily construction has slowed, demand still remains strong, and we are seeing very good absorption among properties that have recently opened.

Average Rents/Square Foot on Affordable Rental Properties

So, we are seeing rent levels are lower for affordable rental units, but I will mention, too, that as it's based on a kind of benchmark format: So, as rents rise in the market overall among market-rate properties, those rents that are even affordable are still also rising. That's predicated, of course, on incomes rising. I think what we are seeing, too, is even though these rents are more affordable than traditional market rate, we are seeing some households become increasingly cost burdened, even with affordable rental properties. So, some portion of households are even having to pay a higher proportion of their income for rent, even at an affordable property. So, there's definitely a highly competitive funding process for tax credits and a need for multiple funding layers, which also hampers new development. So, as much as we would like to see more affordable units come into the market, the resources and the process for getting those units into the market has become increasingly difficult. As rental rates climb, affordable rents also escalate, which I mentioned, which may create challenges to fill these units at the higher rents.

General Occupancy Housing Demand

Demand projected for owned housing, detached and attached: There's strong demand for market-rate rental housing, and there is a need for all housing products across the spectrum. So, affordable housing is the most difficult to develop, whether that be that middle market tax credit affordable housing or deep-subsidy housing, due to high development costs and significant financial caps. These demand figures were generated for 2024 to 2035; they also were separated out between this first six-year increment 2024-2030 and then 2030-2035.

Senior Housing Demand

Demand for senior housing will continue to increase over the next 20 years, largely due to the aging of the Baby Boomers. Assisted Living and Memory Care is still recovering from the pandemic, but I would say to you that we are seeing increased demand for Assisted Living and Memory Care from the market. What is creating some significant problems is there are definitely labor shortages among caregivers, and so, we are seeing all service-enhanced senior housing developments continually trying to hire labor to be able to serve the population that they have or are trying to attract. We still do have some facilities, especially among the Memory Care components, where they are not able to utilize all of their beds, even though there's demand for that, again because they do not have the proper labor ratios to be able to care for these individuals. We believe that is going to continue, especially in the short term, potentially in the long term, and it will negatively impact again this ability to satisfy the demand in these service levels.

Why is the Entry Level and Middle Market Missing?

- Zoning Regulations
- Density Requirements
- Design/Material Requirements
- Permit/Impact Fees
- Infrastructure Costs
- Building Code Changes: Those don't necessarily always occur at the regional or local level, they are also impacted by the State. We've seen different State regulations come down that have significantly impacted building in different areas of our State. Some of those have been reversed, but others I think it's important for us to consider how those Building Code

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regulations and requirements may hamper our ability to provide the housing that we need to serve our residents and also just, in general, people in our State.

- Increasing Labor and Material Costs
- Land Acquisition Costs Increasing
- Financing Challenges for Smaller Developers/Builders: Especially during the great recession, we lost quite a few of our smaller builders. We are trying to attract national builders to Minnesota, that has occurred to a modest degree, but we really need more national builders to consider the Twin Cities and Minnesota as a place to develop.
- Lenders Tightening Underwriting Standards/Bank Regulation Increasing with Bank Failures
- Economies of Scale Needed

Key Takeaways

- Population and household growth was strong last decade; some increase in family households but not enough to overshadow those without children and singles living alone. Again, this speaks a little bit to the ratio between population growth and household growth. So, we are seeing a strong percentage growth in households, largely because we are seeing shrinking household sizes, so we still have a definite need and demand for housing to house those households that are being created, even though many times those households have fewer people.
- Cottage Grove's near-term growth is led primarily by the Millennials and Baby Boomers, resulting in demand for housing products at opposite ends of the spectrum, although there is some overlap in market-rate rental housing and for-sale townhomes.
- Growth in the 65+ cohort will dominate over the next 15-to-20 years; what housing products are needed? Consider options other than traditional senior housing. Early on, I think a lot of developers in the general overall market thought well, we'll just develop senior housing and that will kind of take care of this aging 65+ group. Over time, what we've seen is, especially among that younger group, they are really not ready for senior housing; so, that perspective of what senior housing is and what products are attractive to this group have started to really shift. And, so, again, we're starting to see that idea of like more the detached villa, the twin home, the cottage-style home, and more independent products be attractive as this group starts to age. The average age for Assisted Living and Memory Care has now pushed well into the early-to-mid 80s if they even move into that product at all. Right now, in terms of a market penetration for senior housing, in the Twin Cities we're probably somewhere around 17%-18% of that age 65+ market, which is still a relatively small proportion of our overall 65+ age group. That means there's a lot of people in their traditional single-family homes, there's a lot of people kind of looking for that interim product.
- For-sale and rental housing will combine to increase the housing stock in Cottage Grove. As low-density land supplies decrease, it will be important to target locations for higher-density development.
- For senior housing, active adult products (both rental and for sale) will continue to be popular. High home prices enable seniors to sell and relocate to more convenient housing products.
- Between 2024 and 2030, demand is estimated for: 1,910 for-sale units, 933 rental units, 1,023 senior units (all service levels). That's a pretty diverse product group, but I will tell you that the majority of that demand is for an active adult product, whether that be for sale or rental.
- The market continues to be challenged as to how to bring needed products to the market (innovation/creativity/not business as usual).

Mary said and that's the presentation.

EDA President Bailey said fantastic, well, thank you, Mary. It's kind of interesting because as obviously the mayor, I'm elected, what I find kind of funny is over the last five, six years, so to speak, maybe a little longer, some people in the community think we're growing way too fast. It's funny because you look at your data, and our intent has always been to be careful with how we grow, and you used the word decreased, or suppressed, if you will with regards to how we've been growing. My one question, and I'll open it up for the EDA Members here for any questions that they might have; so, when you're seeing that, at least it appears to me, too, that I hear from a lot of individuals that want to move out of maybe a bigger single-family home, and they want to go into like a villa, like you said. They don't necessarily want to get into a senior component, if you will; so, villas, or one-levels, whatever, seem to be the thing that everybody's looking for. The challenge I'm hearing, and I don't know if you want to speak to it, is when they want to do that, they want to be able to go from this house to this house and not have any debt; in other words, they took the money they made here and they put it into here, and if anything, maybe they have a little extra. What I'm hearing, that is not happening. Are you seeing that as part of the information that you've learned?

Mary replied yes. So, especially right now, that is an extremely challenging situation, and the primary reason for that is when we're looking at the villa developments, largely those lot sizes right now for most villa developments have been between that 50' and 55' wide lot. So, we are seeing some that have been pushed down to maybe as low as about 42' or 40'; that's getting a little

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skinny on that traditional villa style, but the cost to put those on the market is most of those units traditionally are in that \$450K-\$500K range. When a senior is selling their home maybe in that \$300K-\$350K range, they're seeing that price gap, and we're seeing that across the market. Maybe they are able to opt for a twin home, but even so, we're seeing twin homes even come on the market at much-higher prices.

What we aren't seeing in the market that we were seeing, I would say just pre-great recession, is we were seeing some developers put in what we call kind of a cottage-style or quad style concept, where we had 4 units on a lot or a pad, and they each had an attached wall. Now, that is not necessarily what the overall market ideally prefers, but when those units were developed, they sold like hotcakes because they were in that kind of lower price point where somebody could sell their home and move into that almost on an equal-to-equal basis. I've tried to be promoting that a little bit, but it hasn't so far kind of taken off where developers or builders have kind of grabbed onto that yet, where maybe they might want to try that product in the market. I think we can kind of keep encouraging that because it is harder, you know, there are not all that many households that can sell their home and then suddenly buy a \$500K or \$550K or more detached villa. So, I totally understand what you're saying, it is occurring, it is a challenge, and I think especially, too, in this period, even though seniors are able to get top dollar for their homes, it is hard to make that bridge financially in terms of, as you said, and then have no debt.

EDA President Bailey said I'll have one more question, then I'll turn it over to the EDA Members. You were commenting about trying to get more national builders, if you will, and obviously, we've got like Lennar and D.R. Horton and those out here, is there somebody, and I guess I really don't know, is there somebody very large out there?

Mary replied so, David Weekley has recently been seriously looking at entering this market; they are a very large national homebuilder, and we've had some conversations with them. They are eying different markets here in the Twin Cities, in terms of coming in and starting to do development here. There are one-or-two others; I can go back and take a look, too, and maybe I can just provide the names of those as well.

EDA President Bailey said okay, I appreciate that, thank you. Mary replied yeah, sure, no problem.

EDA Member Khambata said you cited that labor was an issue, land acquisition was an issue; are you getting any feedback from any of the builders on how market volatility related to imported materials, such as lumber, is going to have an affect on the market?

Mary replied well, it's a little early, but because things have been happening so rapidly, but I will tell you that will affect our situation. Frankly, I am concerned because moving into this current situation, we have had significant demand and need for housing; and we have been for about eight-to-ten years behind the eight ball, in terms of developing and now housing, to be able to meet the demand, not only here in the Twin Cities but across the country. And I'm very concerned about our ability to be able to maintain some kind of modest or reasonable cost balances in terms of being able to provide housing products that people can afford. I'm not sure where all this will level out; I guess my hope is that even with the proposed tariffs that we have, that eventually cooler heads will prevail and that we'll roll some of those back once we start to see the economic results in our market. Because at this point, I believe we can ill afford to fall further behind in terms of providing needed housing.

EDA Member Tschida said so, I guess, following up with what the mayor was saying about national builders, is there a reason why we're not seeing as many national builders in the Twin Cities and the Minnesota market?

Mary replied so, I will say to you that over time, what we have seen in our market is we've seen periods where national builders and national developers have come to the Twin Cities, and they stay here for potentially a period of time, and then they tend to move out of the Twin Cities or out of Minnesota, primarily the Twin Cities. Some of that is because our market grows, it grows at a very steady pace, and we tend to maintain good levels of occupancy, especially in our multifamily units; but what a lot of national builders are looking for is what I would kind of say are super growth markets. So, they're looking for the much larger markets, like the Austin market or North Carolina market or Tennessee where growth is consistently occurring at large double digit rates. So, even though, like I said, we have been able to secure and maintain some, like Pulte and Lennar, they have been in our markets for many years; but especially too we've looked at larger multifamily developers that come into this market and they stay for just kind of about five-or-six years, and then inevitably we see them go elsewhere. As I said, we have a very solid and steady market, but we don't have sometimes that larger growth spurt that they're really looking for. We actually have the other market that is, of course, attracting a lot of development is the Phoenix, Arizona market, which is exploding.

EDA Member Jean-Baptiste said my question is obviously, we know what we have and we know what we don't have; we don't have explosive growth, but we do have steady growth. Would that be attractive to more of a regional player? And my second part to that question is the reason why we're going after the national builders, is it because they provide more economies of scale and could produce housing at a lower rate? Or if we went after the regional players that could be okay with the steady growth that we have, we're not chasing double digits, could they still produce at the same level that those national players are?

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Mary replied so, that's a very good question, and I thank you for that. So, I would say to you that national builders do have some economies of scale, primarily in terms of their buying capabilities. Once they get in this market, though, they are subject to pretty much the same regulations and cost structures in terms of development costs and land pricing that other builders are subject to; so, I think that the players that have been in this market for a long time, they're very solid, and I would say that I think that we have a lot of very good builders here that we would still want to court them. I think the difference really is that sometimes national builders coming in, they bring a little bit of innovation and creativity that sometimes our local, regional builders have become comfortable. You know, it's like, oh, we've been building here for a while, we really know what works, it's kind of we just want to kind of stay in that niche vs. being challenged a little bit by oh, here's somebody coming in that's going to give us a little bit of a run for our money, and because they're bringing in something that's new or a little different. So, I think while I really appreciate that we have really good, solid regional builders here, I think that trying to attract that national builder gives us a little bit more of an edge in trying to bring in some products maybe that we haven't thought about before.

EDA Member Tschida said you had mentioned that the builders are still subject to the same local regulations here, and as I look at both City and State government, that's the #1 thing we can control; I mean, we can't control the price of land and lumber from up here. So, I guess, as we're looking at expanding housing opportunities, what are some of the things the City of Cottage Grove and Washington County and even the State of Minnesota can be doing to roll back regulations or look at different things, whether its zoning policies or what have you, to really unleash growth without having to pour a bunch of taxpayer dollars into it?

Mary replied so, a lot of it really has to do, I guess, with again, as you said, kind of local zoning regulations and density requirements. Sometimes it has to do with restrictions on types of materials being used or even the minimum lot sizes. So, I think, you know, to be sensitive, especially when we're trying to develop products that aren't at the entire upper end of the spectrum; look at opportunities and ways that we can shift or adjust some of those previous criteria and regulations to be able to encourage again those economies of scale. I think in the market what we're seeing is we're definitely seeing that we have essentially almost no entry-level housing; but in order to build that, we really do need to look at opportunities and options for products that we may have considered developing or were developed like many years ago, and by that I mean a creative, smaller rambler or a creative, 1-1/2-story expansion bungalow. So, getting people into a product that they can grow with, I mean, those homes still remain popular in the market today. When we look at people who are looking for reasonable and affordable housing, especially in communities like Cottage Grove or even Roseville, those products sell right away. It's not that people don't want to live in them, they do. I mean, granted, those houses may be older, but what if we developed something like that that was brand new? I mean, one of the things that we always see in the market is entry-level buyers kind of push back sometimes because they don't want to do a lot of sweat equity, you know? So, they don't want to go in and have to redevelop the entire home when they move in. Well, if we could figure out a way to develop products that were brand new, where they could move in, and even if they did pay just a little bit more for those products, maybe not a top level, everything would be new. So, they would at least have a period of time where they didn't have to start buying the home and then investing a lot of money in redoing it, and it would potentially offer them, if they needed to add on, they could add onto that home as their family grows.

EDA Member Tschida replied yeah, fair enough, I really appreciate that.

EDA Member Latack said so, regarding senior housing living, since there will be a demand over the next 20 years, it seems like that pressure will keep the demand, but then also keep that price higher where they're not able to move laterally, without debt. What are your thoughts on kind of condo-style living with amenities?

Mary replied so, I would say that I think condo-style can work as long as it isn't necessarily in a traditional 3-story apartment building. So, you can develop a condominium product that is like a townhome-style product that is actually a condo, it's not a townhome. I think the biggest issue that we see there, though, is if that product is going to be developed, it still needs to be that single level living. I mean, there is some demand for that; I think we still had a little bit of a pushback on that kind of "condo", especially in that apartment-style building type of situation, and I think it's primarily because condominium has gotten a little bit of a bad name. I will say cooperatives, senior cooperatives, have been extremely popular, and they're still popular; I mean, we have waiting lists at most of the cooperative developments that exist in the Twin Cities. I would say that's definitely one product that would be very attractive in Cottage Grove. It's a little bit different financial framework, but again, that product has just proven to be extremely successful. I hope that answers your question.

EDA Member Latack said yes, but I guess one follow-up question: What is the difference?

Mary replied, so, in a cooperative situation, it's a little bit more of a collaborative situation in terms of community. I think people who move into cooperatives tend to have a little bit more of a cohesive community feeling and environment; the technical difference is that there's one blanket mortgage that is placed on the property, and then the residents buy shares and they pay down that blanket mortgage. So, they basically purchase a right to live in the unit, and then they pay down the blanket mortgage; but I think what is more attractive about it is really the idea that condominium has a little bit different structure, in terms of how

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expenses are assessed. There is actually a Bill before the legislature currently to somewhat restructure some regulations for homeowners associations; we're not sure exactly what will be the outcome for that, but I think that there was some condominium developments, there's been a little bit more of a pushback in terms of how associations operate. And maybe it's just because the cooperative product is so new, but older cooperatives have continued to be pretty popular. And also, usually in the cooperative, you can get in at a lower price. So, you can have a little more flexibility in how you want to pay monthly; so, if you enter at a lower share price, then your monthly amount is higher vs. if you pay a higher amount to get in, then your monthly is lower. So, there's more flexibility for the individual resident.

EDA President Bailey asked if there were any other questions, none were asked. He said great information by the way and good questions from everybody.

EDA President Bailey said Mary, thank you so much for coming in today and sharing with us the study. Mary replied thank you very much, I appreciate it.

EDA President Bailey said before we move onto the next item, I'll just mention it's interesting; for example, I do specifically remember the cooperative. To that point, we did have a developer that at one point was looking at doing a cooperative. I don't know what caused them to decide not to, I don't know. But we have looked at that as an option, too, as an additional type of housing option here within the community. I believe it was going to be down on the Dunes site, I think it was with a previous developer, though, if I remember right. And then what we are looking at with this study, just so we know as the EDA, is our staff has been kind of looking at our zoning again to see if we need to expand or contract certain types of zoning, based on the needs that it appears we're going to need to be focusing more attention on.

I will just share that we just had a workshop as a Council for the Tank property, which is just down the road here, off of County Road 19; there was a developer that shared with us a concept plan of starting to build on the other side of County Road 19 and getting us some ideas. We saw a new housing type that's smaller, I'll just be frank, it kind of freaked me out a little bit, but I'm going to go look at a couple other communities that have them, super duper small, 2-story, I think it's kind of what you were talking about with the loft thing. Very tight, though, development, but to your point, I think that's what gets the price down. The question is, as I hear, and I'm sure my partner next to me here when he was on the Council hear a lot, every time we start crunching the lot sizes down, we don't hear from the people that are buying those lots because they're happy, but the existing residents in Cottage Grove are like what are you doing? You've got houses on top of houses! And so, there are some challenges for perception vs. what the upcoming generation is looking for, maybe not such big lots. And part of it I do think is the cost factor, too, definitely.

Mary asked if she could add one thing; EDA President Bailey replied absolutely.

Mary said so, we are actually seeing some larger builders, like Lennar and Pulte, who are starting to build single-family homes on a lot smaller-sized lots. So, that's the big push now from where we were seeing them before.

EDA President Bailey replied yeah, and I know we have Emily in the background there. Emily, the one that they were proposing, do you know how wide those were?

Director Schmitz replied 28, and 28 is small.

EDA President Bailey replied it is very small. I mean, it looks to me, it almost looked like a mobile home, but 2-or-3 stories tall. But, yeah, that was what we're talking about, this one piece of it that we're looking at, not the whole property, I want to be very clear; there were mixes and things, but that's the kind of stuff we're trying to figure out. You know what fits, what doesn't fit, what are people buying? So, it is interesting; this study is going to help us guide for the next 10 or so years.

EDA President Bailey thanked Mary again for coming and sharing with us.

C. Development Updates

Staff Recommendation: Receive Report.

Director Larson said I will say on the housing comment, having come up from Houston, Texas, Mary would know this, but the smaller lot, 3-story, sold like hotcakes. David Weekley built them everywhere in Houston, and it was a beautiful product for younger families to get into because they don't actually mind the stairs because they know what baby gates are, so. Just so you know, as you're thinking about it, that really is good for the market.

Beige Book Report: Employment: Increased slightly since the last report in the winter. Prices: Increased. Wage Growth: Moderate. Consumer Spending: Flat. Construction Activity: Slow. Commercial Real Estate Activity: Remained relatively flat. Residential Real Estate Sales: Grew Moderately. Manufacturing: Experienced some improvements. With the tariffs, now we don't exactly know what's going to happen this next round. Agriculture: Conditions were weak. Oil and Natural Gas Exploration: Remained unchanged. Minority and Women-Owned Businesses: Continue to report lower sales and profits.

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Community Development Updates: **Gerber Collision**, 7300 West Point Douglas Road: The roofing material and exterior walls are installed. Excavation has started for the interior slab. **Vangz Kitchen**, 8711 East Point Douglas Road: The interior improvements are complete, and the final building inspection has been approved, pending final electrical and final fire sprinkler inspections. Washington County Health Department approved their final health inspection. Their grand opening is scheduled for this Saturday, April 12, at 3:00 p.m., and the mayor will be present for that. As many of you know, that is the former location of Ho King. It's going to be very exciting, and Mr. Vang is very happy to be opening. **Taco Bell**, 8623 East Point Douglas Road: They did some minor interior renovations, and installation of the exterior signs are complete. **Low Zone Water Treatment Plant**, 10901 Ideal Avenue; again, as we speak, probably a lot of this is already done: Interior painting of multiple rooms on the main floor is still ongoing. Installation and painting of the process piping continues, as does the plumbing piping. HVAC ductwork installation is almost complete. The installation of the brick and the platforms between the horizontal pre-treat tanks has been completed. Other Projects: **Ellwyn Apartments by Roers Company**, 6850 East Point Douglas Road: The plan review is underway for a new apartment building. **Park High School**, 8040 80th Street: The plan review is underway for the addition to the high school building. **Buffalo Wild Wings GO**, 7145 East Point Douglas Road, #160: The plan review is underway for a tenant improvement project.

Director Larson said Emily is still here if you have any questions about the projects, and, again, they're probably going along a lot faster than we have done right now.

D. Property Purchase and Hotel RFP Updates *Staff Recommendation: Receive information.*

Director Larson said in December, 2022, just as a reminder, HVS Hotel Study was completed. It did indicate that there was a need for a 90-room branded hotel in the City, and potentially, the most ideal locations were 80th Street, Jamaica, and then also near the 73 acres adjacent to Walmart. You authorized an appraisal to be done in November, 2024; that was finished in early February, 2025.

In December, while we were waiting on the appraisal, we started the Hotel RFP. In March, we made an offer on the property after the Council had an executive session, and we will meet again with the owner on Monday; so, hopefully, the offer will be accepted, but we'll see and will report back accordingly.

And then in May, three of the members of the EDA Board, the mayor, EDA Member Khambata, and EDA Vice President Olsen are going to go to ICSC. So, at that event, we will showcase the Hotel RFP, assuming all goes as planned, and then we'll also showcase the other properties, including the 73 acres, the properties that are still available in the Business Park, and others, to developers at ICSC.

So, that's all ongoing. I'm happy to answer any questions about that; no questions were asked.

E. Yellow Tree Project Updates *Staff Recommendation: Receive report.*

In August, 2024, the Community Development Department was contacted by Yellow Tree Development for a proposed 164-unit multifamily project at Outlot D, Everwood. It's along East Point Douglas, and you can see on the map the circle; it's kind of near The Legends and behind Kohl's, it's a market-rate complex. The City Council held a workshop on March 19 to see about the project and to talk about an abatement that was requested. It's a challenging site, it's a nice project, it fits into the housing study needs, and they requested a tax abatement of 10 years and not to exceed \$848,800; that agreement, if it moves forward, would also have a lookback provision, just like TIF does. So, overall, the Council at the workshop thought it was a good product, understands the challenges of the development, and agreed that if it were to move forward, they were amenable to a tax abatement.

EDA President Bailey said I'm just going to make a piggyback plug in there: There was an article in the paper that had a larger number out there, just for the EDA; that is what they wanted, and we said, along with Ehlers, who does all of our financials for the City, that they would not qualify for that higher dollar amount. So, the amount of money that Ehlers said that they should qualify for, based on the true hardships, was the \$848,800. So, if you see that out there, I think it was in *The Business Journals* or something, yeah, *Finance & Commerce*, and some people were asking why are we giving \$1.2 or \$1.4 million, and it's like we're not. We're not doing that, so I just wanted to make that clear for our EDA here, too, so that they're aware of that number or what the real number is.

Director Larson said thank you, President Bailey. Yes, it was \$1.5 million, and it was 15 years, and we did actually correct the writer of the article and told him. So, okay, next time, if it moves forward and you update it, make sure you use the right numbers; and they just didn't know because that was in the original staff report.

F. Dominion Compliance Report *Staff Recommendation: Receive Report.*

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April 8, 2025

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Director Larson said Dominion's certification of compliance, this comes before you every year; they're required to file an Annual Report to say that they're in compliance with their TIF Plan and the Development Agreement that the EDA has with them. It requires that 80% of the building units be affordable senior housing, and then the other 20% remains affordable, but it's not necessarily just for seniors; and that's true of all of our TIF Agreements, the ratio may be different, but you can allow others, disabled and people who are income challenged and who are not seniors, to move in there.

In February, we received their Certificate of Compliance, along with their actual Tax Credit Report, and it shows all of the folks, the rent they pay, the size of their apartment, and then at what ratio are they, and they all remained at about 60% to 50%. So, they are in compliance. The only reason we don't put that in there is because it has a lot of private information in it; you just see the certificate saying they swear they are in compliance and have reported it correctly to both the State and Washington County.

Director Larson said I'm happy to answer any questions about that.

EDA Member Khambata said if I recall correctly, was it last summer or the summer before, there was some concern with residents of this complex regarding the rate of increase. If I remember correctly, after looking through those rates of increase, they were within the specified amount, which I believe was under 12%, but at that time, rental rates across the metro were rising at double-digit rates annually. So, while it was within the specification for keeping their TIF and their affordable housing dollars that they receive for the project, those tenants were upset and I think reasonably upset; but, again, absent these TIF conditions, those rates could've come up much higher to try and meet market rates. So, even though it's not a perfect system, I think this is still a good mechanism for the City to help develop affordable housing.

Director Larson replied absolutely, and those questions were addressed later on with the mayor and some of the folks from Dominion because part of it was all of those extra fees that aren't covered by the HUD cap, right? Like for your parking space and for certain things related to maintenance; EDA President Bailey said electric, the surcharge on the surcharge. Director Larson said yes. So, I'm proud to say that EDA President Bailey, Mayor Bailey, made some good headway with that. So, hopefully, it will remain that way.

Director Larson said we just want to note that on May 13, you will not have your regular EDA meeting because we don't have any action items, but you will have your June 10 meeting because we will have a number of action items for you to consider; this is the upcoming meetings calendar.

Administrator Levitt wanted to especially point out that next Thursday is the Volunteer Banquet, so even though the RSVP has closed, if you will let staff, any one of us know if you've not said you were attending, and we'll make sure that we put you on the list.

Director Larson said and other than that, there's a lot of ribbon cuttings coming up, so we'd like to see you there. EDA President Bailey said yes, definitely, looking forward to this Saturday at Vangz; Director Larson said oh, yeah, that will be very exciting.

EDA President Bailey asked if there were any other EDA Comments or Requests that they wished to make; there were none.

6. PUBLIC HEARINGS - None.

7. OTHER BUSINESS - None.

8. WORKSHOP - None.

9. PRESENTATIONS - None.

10. ADJOURNMENT

EDA Member Khambata made a motion to adjourn. Motion was seconded by EDA Member Jean-Baptiste. Motion passed unanimously (6-to-0 vote). The meeting was adjourned at 8:28 a.m.

Respectfully submitted,

Gretchen Larson
Economic Development Director

/jag

TO: Economic Development Authority

FROM: Jennifer Levitt, City Administrator

DATE: June 5, 2025

RE: Hotel Room Nights Leakage Analysis

At the April Economic Development Authority meeting, the EDA approved completing a Hotel Leakage Study by HVS. It is known that there was a loss in revenue (leakage) into Woodbury and Hastings as a result of all the sporting events that are hosted in the City each year and from business travelers but the extent of the leakage was previously unknown. During the work on the CVB Strategic Plan, the consultants at Chandlerthinks also pointed out the loss in revenues and so hiring an expert to confirm the leakage numbers was brought before the EDA.

Since HVS completed our Hotel Market Study, it made sense to have them conduct the leakage study. The study will give hoteliers added confidence about the project and their revenue projections for financing. The final report from HVS is attached.

Recommendation

Receive the Hotel Room Nights Leakage Analysis report.

Attachments

Hotel Room Nights Leakage Analysis



June 6, 2025

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River Forest, IL 60305
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Ms. Jennifer Levitt
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016
jlevitt@cottagegrovemn.gov

Re: Hotel Room Nights Leakage Analysis

Dear Ms. Levitt,

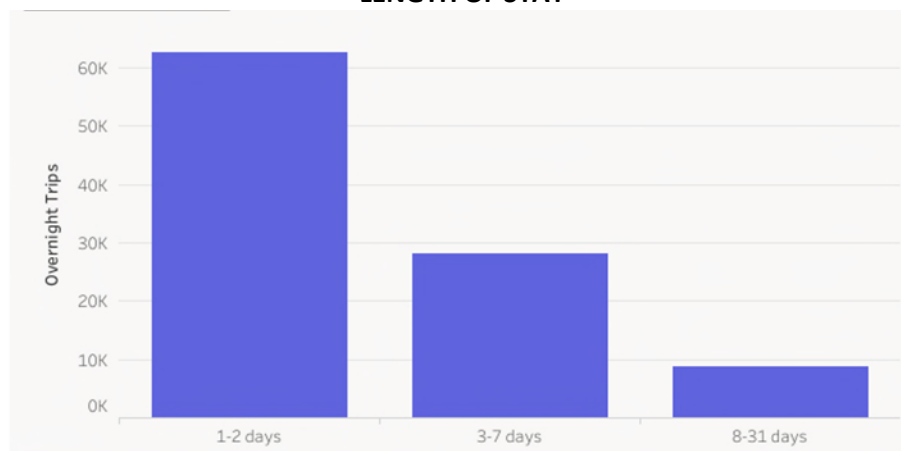
Attached you will find our Hotel Room Nights Leakage Analysis for the City of Cottage Grove, MN ("City"). The City's Convention and Visitors Bureau, Discover Cottage Grove ("DCG"), has developed a 2025 Strategic Plan to further develop the City as a destination market. This analysis assesses the overflow of lodging demand generated from social, business, and sporting events to neighboring cities due to limited local accommodations.

Market Overview

Located approximately 17 miles southeast from the Minneapolis-St. Paul International Airport, the City is home to a population of about 40,000 residents. In 2019, the DCG initiative was launched to enhance tourism and promote economic development in the City.

Using mobility data from Placer.ai, we analyzed overnight visitation patterns to Cottage Grove over the past 12 months. An estimated 99,500 distinctive overnight visits were made to Cottage Grove, amounting to approximately 306,500 visit nights. Placer characterizes overnight visits as those where an individual stayed in the City for at least one night, but up to a maximum of 31 nights. However, many of these visits are tied to family-related events and do not translate into hotel room demand. To determine how many of these overnight visitors required lodging accommodations, we used Placer's visitor journey data to track hotel visits that occurred in connection with trips to Cottage Grove's primary event venues.

The following figures illustrate the length of stay and origin of all overnight visitors to Cottage Grove in the last 12 months.

FIGURE 1
LENGTH OF STAY

Source: Placer.ai

Of the approximately 99,500 overnight trips to Cottage Grove in the past 12 months, more than 60,000 were short stays of two days or less. In contrast, nearly 10,000 trips lasted between 8 and 31 days. However, many of these longer visits are likely associated with family-related travel and may not involve the use of commercial overnight accommodations.

FIGURE 2
OVERNIGHT VISITOR ORIGINS

CBSA	Visit nights	Overnight Trips
Duluth, MN-WI	7,200	24,200
Mankato, MN	4,900	19,500
Chicago-Naperville-Elgin, IL-IN-WI	2,900	8,700
Rochester, MN	3,300	8,500
Phoenix-Mesa-Chandler, AZ	2,000	8,400
Eau Claire, WI	3,000	7,300
St. Cloud, MN	2,400	7,100
Los Angeles-Long Beach-Anaheim, CA	1,500	6,800
Winona, MN	2,000	6,700
Madison, WI	2,400	6,700
Minneapolis-St. Paul-Bloomington, MN-WI	2,100	6,300
Fargo, ND-MN	2,100	6,200
Other	63,700	190,100
Total	99,500	306,500

Source: Placer.ai

Key origin markets for overnight visitors include Duluth, Mankato, Chicago, and Rochester. Among these, visitors from Duluth and Mankato tend to generate longer lengths of stay.

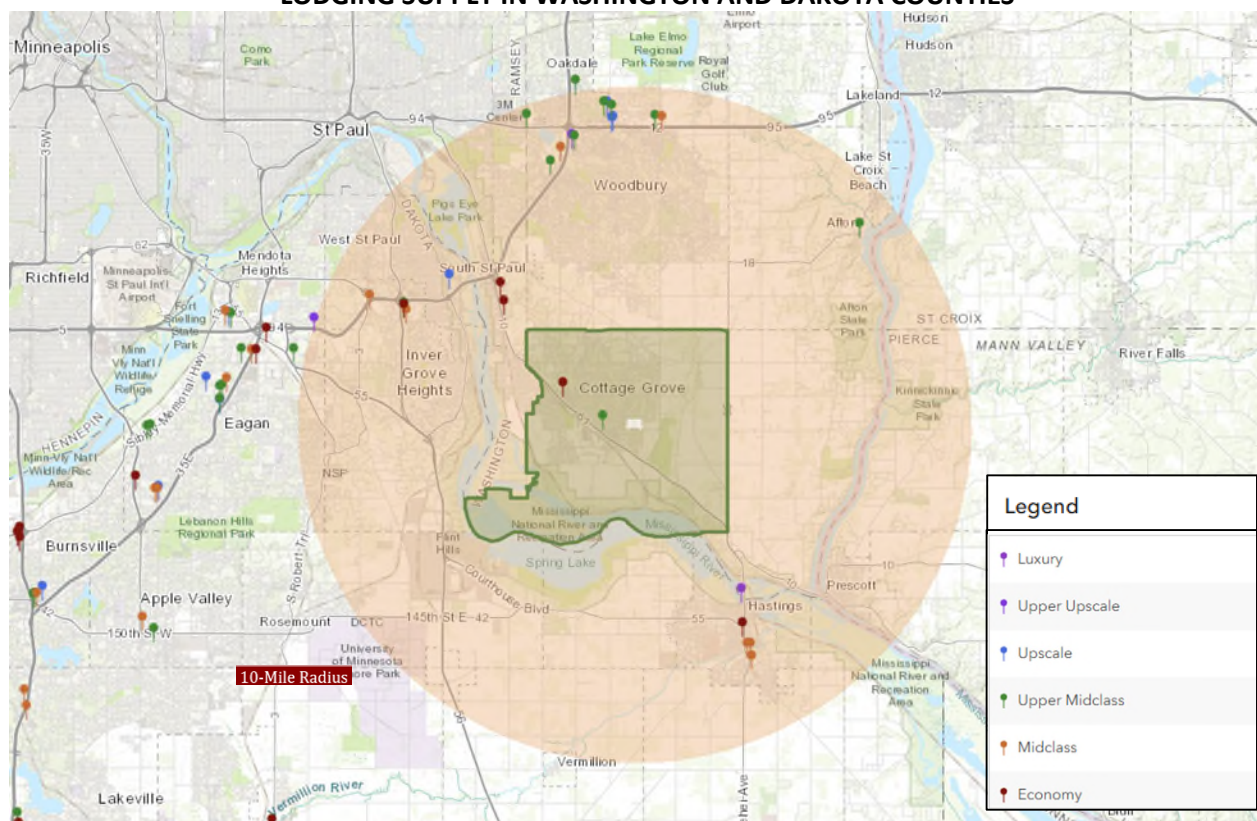
FIGURE 3
LODGING SUPPLY IN COTTAGE GROVE

Property	Chain Scale	Number of Guest Rooms
Country Inn & Suites Cottage Grove	Upper Midscale	76
Wakota Inn & Suites	Economy	31
	Total	107

Source: STR

Cottage Grove is limited in its ability to capture overnight visitation from various demand sources. Currently, Cottage Grove has two hotels, offering a combined 107 guest rooms. The limited supply significantly constrains the City's ability to accommodate peaks in overnight visitation. There are currently no upscale, upper-upscale or luxury chain scale properties in the City, which can limit its appeal to corporate and high-spending leisure travelers for overnight stays.

FIGURE 4
LODGING SUPPLY IN WASHINGTON AND DAKOTA COUNTIES



Source: ESRI & STR

Within Washington and Dakota Counties, there are 80 hotels. About 26 of these are located within a 10-mile radius of Cottage Grove, including upper-upscale and luxury options. The hotels are clustered primarily in Hastings, Woodbury, and along the I-494. It is likely that these nearby options absorb a substantial portion of the

lodging demand that cannot be accommodated within Cottage Grove, representing a leakage of potential economic benefit to neighboring jurisdictions.

Hotel Leakage Analysis

Through stakeholder discussions and market research, HVS identified three primary demand segments contributing to overnight visitation in Cottage Grove:

- **Wedding Venues** – Cottage Grove has a strong wedding market supported by venues such as the Hope Glen Farm, River Oaks Event Center, and The Madison.
- **Corporate Travel** – Major businesses in the area include 3M, Renewal by Andersen, American Distribution & Manufacturing Company, and Van Meter Inc. This demand segment typically prefers upscale or higher chain scale accommodations with amenities such as loyalty rewards, meeting spaces, or business centers.
- **Sports and Recreation** – The Cottage Grove Ice Arena regularly hosts hockey and figure skating events. Kingston Park hosts sporting events and local festivals throughout the outdoor season. The Oakwood Park Disc Golf Course and Hamlet Park are other venues which support sporting events in the city.

While the above is a non-exhaustive list of demand generators of overnight stays in Cottage Grove, it can be useful for extrapolating the general overnight visitation trends in the City.

HVS conducted a hotel leakage analysis using Placer.ai visitation data for the above demand generators to evaluate hotel stay patterns in Cottage Grove. By analyzing the number of visitors to local attractions and businesses who also visited a hotel—either within Cottage Grove or in neighboring areas—on the same day, we estimated the proportion of overnight stays occurring both within and outside the city.

FIGURE 5
HOTEL VISITS IN COTTAGE GROVE

Category	Total Hotel Visits Tracked	Hotel Visits Tracked Within Cottage Grove	% leakage
Business	10,617	1,365	87.1%
Sports & Recreation	4,837	1,559	67.8%
Wedding Venues	3,598	2,633	26.8%
Total	19,052	5,557	70.8%

Source: Placer.ai

Of the 19,052 visits to these locations that also included a hotel visit in the same day, only 5,557 (29.2%) were from the hotels located within Cottage Grove. This implies that approximately 70.8%—or 13,495 room nights—were lost to nearby communities. In other words, for every 10 people who visit Cottage Grove and stay in a hotel, approximately seven of them stay outside of Cottage Grove. This leakage is highest among corporate visitors possibly due to their preference for staying in

higher chain scales with loyalty programs. Sports & recreation event attendees are the second highest leakage category, possibly due to the limited number of rooms in the City. Wedding venues have the lowest leakage, indicating that out-of-town visitors for smaller private and social events would prefer to stay in Cottage Grove.

Using the estimated percentage of leakage and current room night demand, we calculated the number of room nights spilling out of Cottage Grove. This approach provides a measure of unmet hotel demand within the community. The following table illustrates the estimated hotel room night leakage from Cottage Grove.

FIGURE 6
ESTIMATE OF HOTEL ROOM NIGHT LEAKAGE

Room Night Parameters	Cottage Grove
Available Rooms	107
Total Annual Room Nights Available	39,055
Estimated Occupancy	62%
Estimated Room Nights Sold	24,214
Estimated Hotel Leakage Factor	2.43
Estimated Room Night Leakage	58,798

Source: STR & HVS

For this analysis, the current occupancy rate for the hotels in Cottage Grove was assumed to be 62%. This was based on a 2022 study by HVS, which estimated the average occupancy rate in Cottage Grove to be 61.4 % for 2021. More recently, Marcus & Millichap's *Minneapolis-St. Paul Hospitality Market Report—2025 Investment Forecast* estimated the occupancy rate in the twin city metropolitan area to be 58.8% for 2024, a small but steady increase from previous years. While not directly applicable to Cottage Grove, it is illustrative of the more recent trends of increasing occupancy level in the regional market.

FIGURE 7
ESTIMATED LEAKAGE (TRAILING 12 MONTHS)

Room Night Parameters	Cottage Grove
Estimated Room Night Leakage	58,798
Average Daily Rate	\$125
Hotel Revenue	\$7,349,786
Occupancy Tax Revenue (3%)	\$220,494
Local Sales Tax Revenue (0.28%)	\$20,579

The estimated hotel room night leakage from Cottage Grove over the most recent 12-month period is about 58,800 room nights. Based on the average daily rate ("ADR") of \$125 in the market, this translates to almost \$7.35 million in lost hotel revenue. At the local occupancy tax rate of 3%, this equates to over \$220,000 in annual potential occupancy tax revenue that is currently leaking out of the community.

It must be noted, however, that this study provides an estimate of potential lodging demand leakage in Cottage Grove, without examining the reasons attributable for this leakage. In addition to lodging supply constraints in the City, hotel leakage may result from a variety of factors such as limited surrounding demand drivers, the absence of nearby retail, dining, or entertainment options, amenities for groups, or preferred hotel brands that would encourage overnight stays within Cottage Grove. Therefore, it is possible that new lodging supply will perform differently from the current hotels in the market depending on these factors.

Conclusion

The current hotel supply in Cottage Grove is insufficient to meet the lodging needs generated by corporate activity, weddings, and sports events. The significant room night leakage of 70.9%— which is particularly high among corporate and sports event travelers—presents a critical opportunity for strategic investment.

We certify that we have no undisclosed interest in this analysis, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

It has been a pleasure working with you. Please let us know if we can provide any additional services.

Sincerely,
HVS Convention, Sports & Entertainment Facilities Consulting



Henry Detmer
Project Manager



Tarika Jain
Senior Associate

Attachment: Assumptions and limiting conditions.

A. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
4. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
5. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
6. We take no responsibility for any events or circumstances that take place after the date of our report.
7. The hotel leakage analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines.
8. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
9. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
10. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
11. HVS, is not a municipal advisor and HVS is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities. The

reader is advised that any actual issuance of debt would be done under the advice of its bond counsel and financial advisors. A financial advisor would provide advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential investors should not rely on representations made in this report with respect to the issuance of municipal debt.

12. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during this assignment are rendered by the staff of this organization, as employees, rather than as individuals.

This report is set forth as a hotel room nights leakage analysis of the subject market; this is not an appraisal report.



Federal Reserve Bank of Minneapolis

Summary of Economic Activity

Economic activity in the Ninth District edged lower across most sectors since the last report. Employment decreased and labor demand continued trending down. Wage pressure grew modestly, while prices moved moderately upward. Consumer spending fell slightly with noted exceptions, particularly on vehicle sales. Construction activity fell overall, reflecting elevated uncertainty. Commercial real estate was mostly flat, and sales of residential units edged lower. Manufacturing activity increased modestly, though sentiment was mixed. Agricultural conditions remained weak.

Labor Markets

Employment was down slightly since the last report, and labor demand cooled notably. More firms reported a decrease in headcount compared with those reporting an increase. A large staffing firm with multiple offices in the District reported a drop in clients and job orders on a monthly and year-over-year basis. A second, large staffing firm reported that “customers have slowed down in hiring.” Multiple Minnesota contacts said businesses have implemented hiring freezes and temporary layoffs and have been cutting hours. Still, a Wisconsin workforce contact said, “While sentiment has been somewhat negative, we still have plenty of job openings that need to be filled.” Labor availability continued to improve. A long-term care provider reported “a huge increase” in applications it normally receives for open jobs, and a health care provider noted it was “flooded with applications for IT positions.”

Wage pressure grew modestly but softened from levels earlier in the year. A survey found that the share of contacts reporting wage increases fell noticeably in March for the second consecutive month. A staffing company reported that year-over-year wage increases for the majority of job placements were running just over two percent. A central Minnesota contact reported that advertised wages for some entry-level jobs were declining. One workforce contact noted that “employers appear to have gained more leverage in wage negotiations.”

Prices

Prices increased moderately overall, with greater pressure on wholesale prices. More than a third of District firms increased the prices they charged to customers in March from a month earlier,

according to a monthly survey, while more than half reported increased input prices. Contacts in manufacturing and construction reported that they saw raw materials prices increase in anticipation of tariffs, particularly for steel and aluminum products. “Steel prices are surging faster than they did during the 2019-2021 period when we experienced record-setting steel prices,” commented a metal fabricator. Some contacts reported placing surcharges on products using metal inputs, while a few reported increasing prices of other outputs to compensate, and others saw declining margins. Retail fuel prices increased modestly in most District states since the last report.

Worker Experience

Reports from labor and workforce development contacts reflected ongoing challenges for workers and job seekers, topped with added uncertainty from federal policies. Some contacts feared that tariffs and federal spending cutbacks would hurt a labor market that, while softening, remained in good shape. In Montana, a building trades labor contact attributed the growing number of “people on the bench” to the slowdown of federally funded projects. Another labor contact in Michigan’s Upper Peninsula warned that “the labor market door is about to slam shut . . . and consumer confidence and spending is going to plunge.” Contacts also highlighted particular stress on Indian Country due to “frozen federal funding,” while immigrant workers in a range of occupations were feeling uncertain about their future.

Consumer Spending

Consumer spending fell slightly overall. Retail contacts were split on recent sales trends. Recent credit card transactions in the District showed slower spending compared with a month earlier. Tourism contacts also reported declines in Canadian travelers and related spending; a North Dakota retailer saw a “deep impact” starting in mid-February, pushing first-quarter revenues down seven percent. However, vehicle sales rose across the District, possibly a short-term effect as people “buy now to save . . . money from the future tariffs,” according to one District dealership. Numerous contacts noted a more cautious, cost-conscious consumer. Several bankers in Montana said consumer loan activity was slow because people were nervous to acquire debt. A manufacturer of consumer goods said, “It is extremely difficult to predict consumer behavior now and for the rest of the year.”

Construction and Real Estate

Construction fell since the last report. While some firms reported that activity was picking up with spring, a larger share reported a decline in activity, most often citing economic uncertainty. A Minnesota heating and cooling firm said it was “bracing for an unpredictable year.” Numerous contacts, particularly in architecture and engineering, reported delays in projects moving forward. A

Minnesota firm said, “New projects have dried up completely in the first quarter. . . . Uncertainty and chaos at the federal level has frozen pretty much all activity.” Another said that “clients are hesitant to proceed with design until some sort of certainty and predictability comes back.” Preliminary data on housing permits suggested relatively stable activity in March.

Commercial real estate was flat overall. Office vacancy remained high, but demand grew among smaller tenants, leading to modest improvements in space absorption. Industrial, retail, and multi-family vacancy rates were stable, helped by generally slow activity in new construction in those sectors. Residential real estate was widely lower; March home sales fell among most markets with available data.

Manufacturing

District manufacturing activity increased modestly overall since the previous report, though sentiment was mixed among contacts; some reported negative impacts from tariffs or expected tariffs. More than half of manufacturers responding to a monthly business conditions survey reported an increase in orders in March from a month earlier. Some contacts noted a bump in orders due to customers seeking to build inventories ahead of expected price increases. An index of regional manufacturing conditions indicated activity increased in Minnesota, North Dakota, and South Dakota in March from the previous month. Some producers of construction input reported cancellation of orders amid uncertainty about the outlook.

Agriculture Energy and Natural Resources

District agricultural conditions remained weak heading into planting season. Grain producers continued to struggle due to low commodity prices, while cattle operations were stronger. Industry sources were concerned about widespread drought conditions because, as one contact noted, “liquidity on balance sheets is gone and another bad year would be very difficult to survive for most farmers.” District oil and gas exploration activity was unchanged since the previous report. Operations were idled at two District iron ore mines due to overaccumulation of inventory amid decreased steel demand.

Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business enterprises (MWBEs) fell slightly, with expectations of further softening over the coming weeks. Inventory levels rose among most contacts. A manufacturing company in Minnesota said it was “pre-buying aluminum in anticipation to tariffs.” The majority of contacts reported higher nonlabor input prices and thinner profit margins. Many expected their own final prices to increase in the foreseeable future. A retailer in North Dakota expressed concerns about the effects of tariffs on prices and supply. Job openings trended down,

and headcount remained unchanged on balance. Over half of contacts described the first three months of 2025 as “worse than expected.” A Minnesota manufacturer said, “We’ve been in business 12 years, and [this quarter] was like our first or second year.”

For more information about District economic conditions visit: <https://www.minneapolisfed.org/region-and-community>.

TO: Economic Development Authority

FROM: Emily Schmitz, Community Development Director

DATE: June 4, 2025

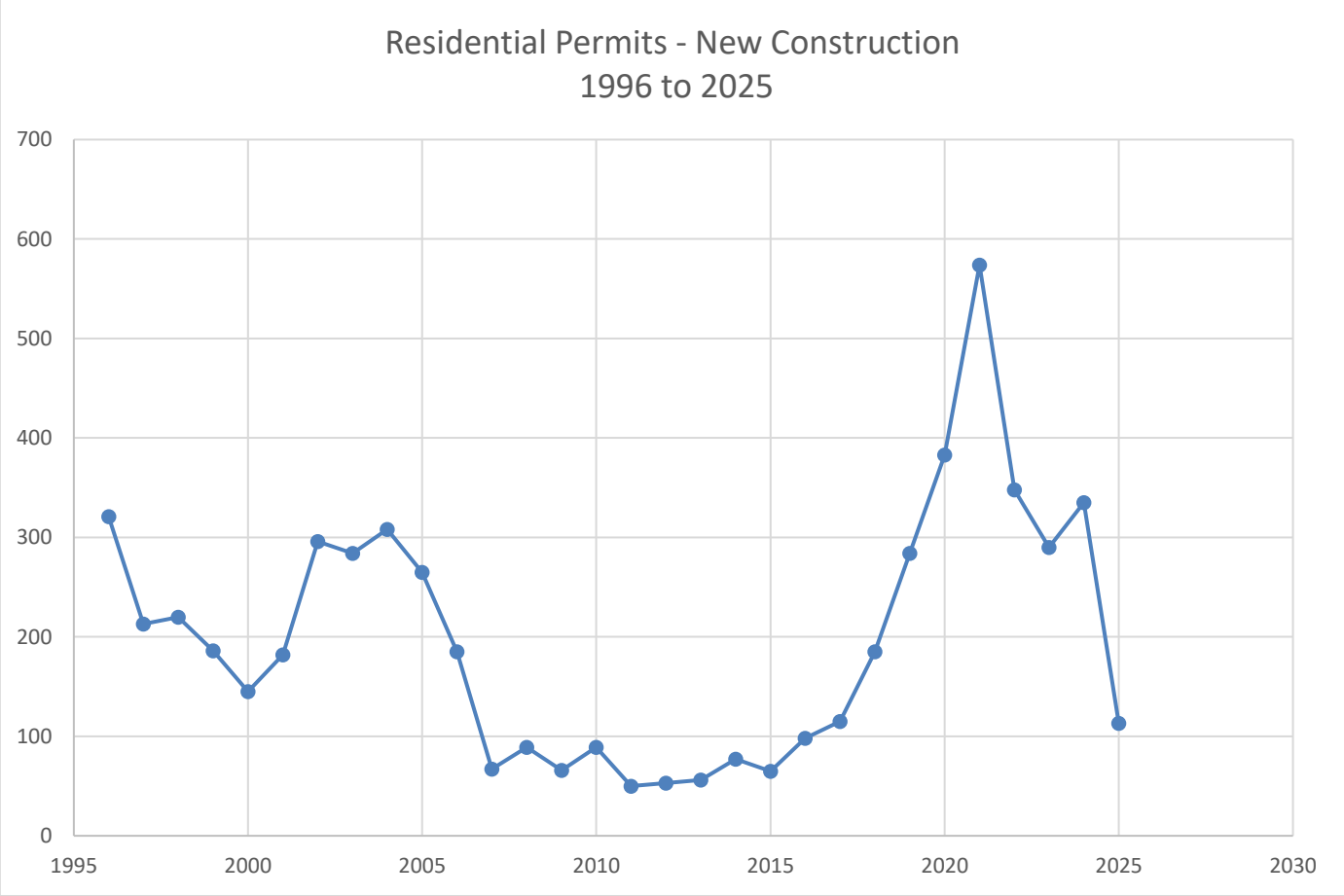
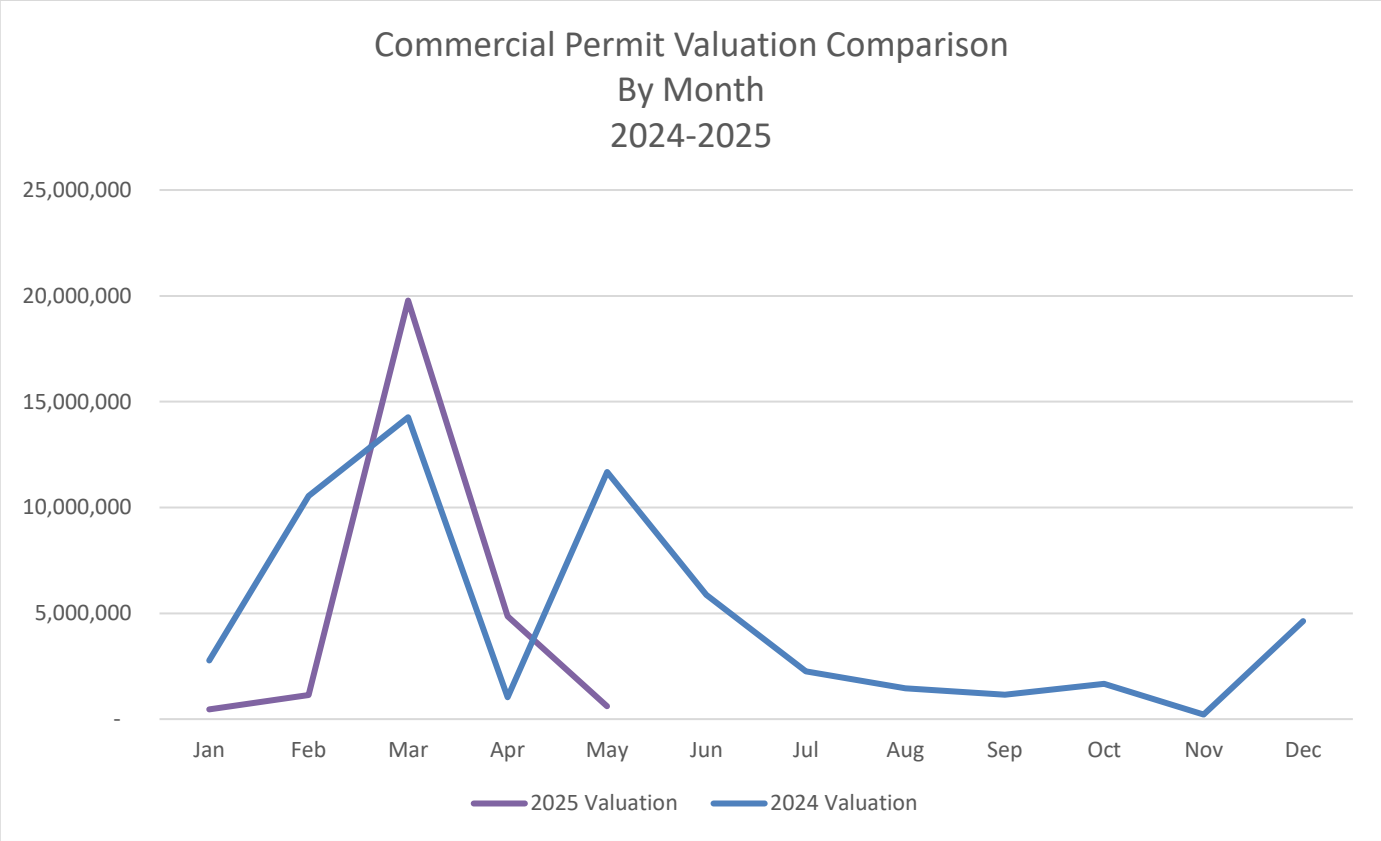
RE: Development Update

Building Permits

Building Permit Statistics:

Between May 1 and May 31, 2025, there were 389 building permits issued with a total valuation of \$9,960,132, including 18 single-family homes valued at \$6,469,835.

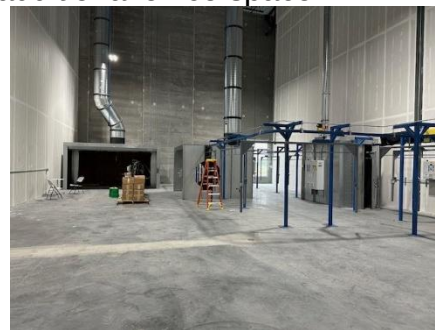
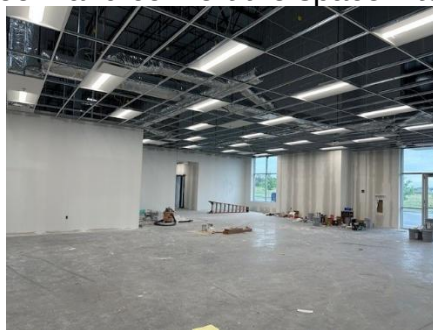
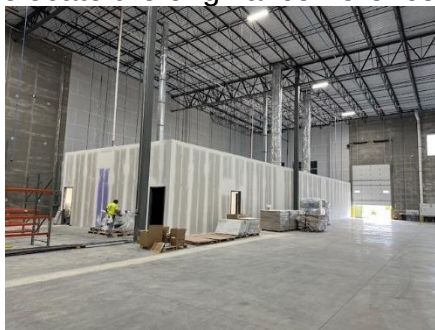




Current Project Updates

Building Construction Projects

Lumbermen's (7701 100th Street): Carpet and floor tile is being laid, and the ceiling grid and the plumbing fixtures are being installed in the office area. A building permit has been secured to relocate the original conference room and convert the space into additional office space.



Bluestem Apartments (7601 79th Street): Once the exterior site work has been completed, the full Certificate of Occupancy will be issued.



Gerber Collision (7300 West Point Douglas Road): The exterior façade is nearing completion. Installation of the paint booths and finishing work will begin soon.

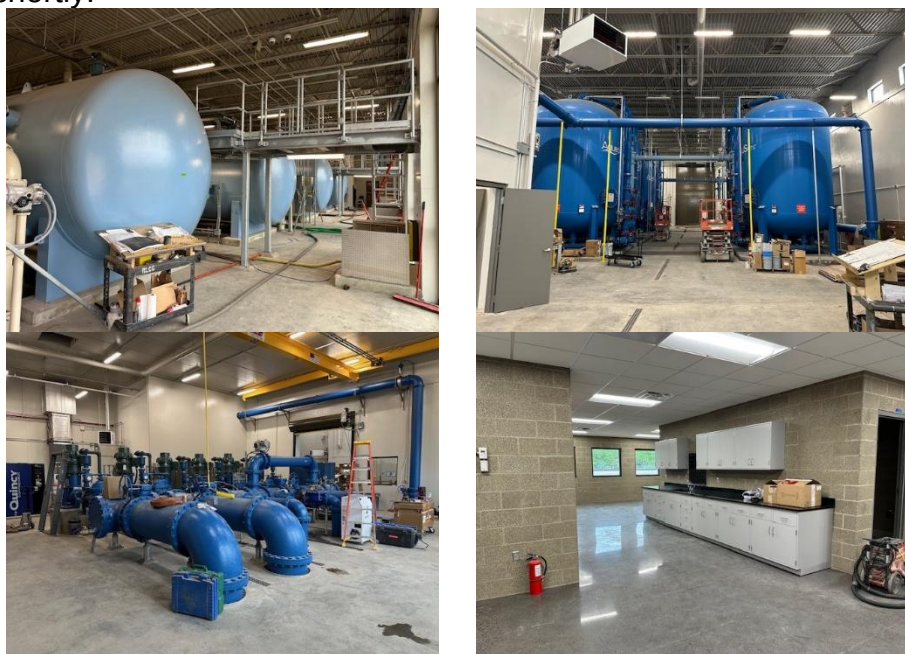
Buffalo Wild Wings GO (7145 East Point Douglas Road, #160): The tenant improvement permit has been issued and construction will begin shortly.

Cottage Grove Armory (8180 Belden Boulevard): Plans have been reviewed and approved for façade improvements at the Cottage Grove Armory.

Walmart (9300 East Point Douglas Road): Plans have been reviewed and approved for a minor remodel project to refresh the interior and exterior of the store.

Woodland Park Apartments (7815 Hearthside Avenue [Building #2] & 7920 Hearthside Avenue [Building #1]): A building permit has been issued for a minor remodel project to reinstall new finishes, rebuild some walls, install new plumbing and electrical fixtures, install new railings and doors, rebuild the common deck area, and replace gas floor heaters with electric heaters.

Low Zone Water Treatment Plant (10901 Ideal Avenue): Interior finishing work and water quality testing continues. Curb and gutter work have begun with the paving of the parking lot to begin shortly.



Cottage Grove Public Works (8635 West Point Douglas Road): A minor remodel of the mechanics shop has begun.



Oltman Middle School (6625 Goodview Avenue): Work has started on the footings and foundation for the building additions.



Cottage Grove Middle School (9775 Indian Boulevard): Plans have been submitted for a 4,411 square foot addition to the front entry with the plan review starting this week.

Park High School (8040 80th Street): Plans are being reviewed for the 34,972 square foot additions. Some demolition and site utility work have started in preparation for construction when school ends for the summer.

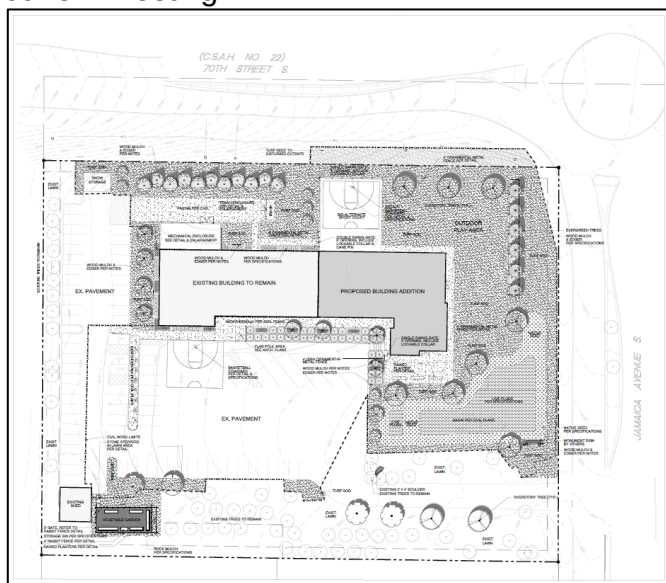


Planning Division

May 19, 2024, Planning Commission Meeting

The Planning Commission met on May 19, 2025, and reviewed the following applications:

School District Transition Building – SP/CUP/V2025-014: Koma Architects, on behalf of South Washington County School District ISD #833 has applied for a site plan review, conditional use permit, and variance for impervious surfaces for an addition to the current structure located at 7000 Jamaica Avenue South. The addition includes approximately 8,373 square feet for classrooms and other educational spaces. Additional site improvements include renovation of the current structure for a cafeteria, nurses office, conference rooms, and classrooms; landscaping for an outside activity area; and restructuring of the parking lot. (Continued from April 18, 2025 Meeting.) The Planning Commission asked for clarification on impervious surfaces calculations. The Commission unanimously (7-to-0 vote) approved the applications. The City Council will take final action at their June 4 meeting.

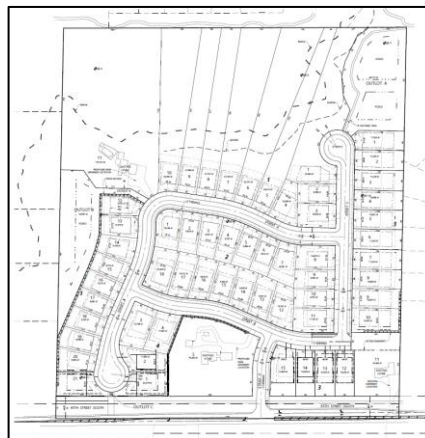
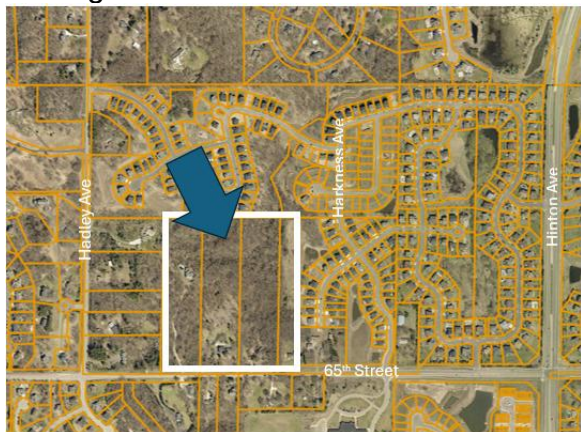


Real Estate Equities (Hadley Avenue Apartments) – CA/ZA/SP2024-024: Real Estate Equities has applied for a comprehensive plan amendment to change the land use of a 4.7-acre parcel of land

located on the southeast corner of 100th Street and Hadley Avenue from Medium Density Residential to High Density Residential; a zoning amendment to change the zoning from AG-2, Agricultural, to R-6, High Density Residential; and a site plan review of a proposed 164-unit affordable rate apartment building. Commissioners and members of the public had questions regarding density, site access, traffic, stormwater, potential flooding, size of the project, the need for this type of housing, and school overcrowding. The Planning Commission unanimously (7-to-0 vote) recommended approval of the applications. These applications will be on the June 16 City Council meeting.



Summer Woods – ZA/PP2025-011: Summergate Development has applied for a Zoning Amendment and Preliminary Plat on four parcels totaling 34.99 acres of land located north of 65th Street, west of the Langdon Hills Development, and south of the Eastbrooke Development, which will rezone those parcels from R-2, Residential Estate District, to R-3, Single Family Residential District, to plat 56 single family lots. The Planning Commission unanimously voted to continue this item to a future meeting.





To: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

From: Tamara Anderson, City Clerk

Date: June 6, 2025

Subject: Resolution Number Modification

Introduction/Background

On February 13, 2024, the EDA adopted a resolution approving the first amendment to purchase agreement between Glendenning farms, L.P., WAG Farms, Inc., and Joan Glendenning Kennedy Family Limited Partnership and the Cottage Grove Economic Development Authority and the purchase agreement between the Cottage Gove Economic Development Authority and Kwik Trip Inc. Due to an administrative error, this resolution was inadvertently assigned the same number, 2024-01, as a resolution adopted earlier on January 9, 2024.

By issuing this Resolution to number 2024-014, we're formally assigning a new, unique number to the February 13, 2024, Resolution concerning the Glendenning Farms and Kwik Trip purchase agreements. This helps keep the City's official records clear and accurate.

Therefore, the resolution approving the amendments to the purchase agreements with Glendenning Farms and Kwik Trip, originally adopted on February 13, 2024, is now officially designated as Resolution Number 2024-014. Our official record books and the minutes from the February 13, 2024, EDA meeting will be updated to reflect this corrected resolution number.

This renumbering is purely for administrative clarity and does not alter the substance or effect of the original resolution or the agreements it approved.

Staff Recommendation

Adopt Resolution 2024-014 correcting a numbering error in our official records, ensuring clarity and accuracy for a previously approved action related to purchase agreements with Glendenning Farms and Kwik Trip.

**CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2024-014**

**RESOLUTION AUTHORIZING RESOLUTION 2024-01, ADOPTED ON
FEBRUARY 13, 2024, BY THE ECONOMIC DEVELOPMENT AUTHORITY TO
BE MODIFIED AND IDENTIFY AS RESOLUTION NUMBER 2024-014.**

Whereas, on January 9, 2024, the EDA adopted Resolution 2024-01 approving a modification to the development program for development district No. 1 and adopting a tax increment financing plan for tax increment financing district No. 1-21 (ROERS).

Whereas, on February 13, 2024, the EDA adopted a resolution approving the first amendment to the purchase agreement by and between Glendenning Farms L.P., WAG Farms, Inc., and Joan Glendenning Kennedy Family limited partnership and Cottage Grove Economic Development Authority and the first amendment to the purchase agreement by and between the Cottage Grove Economic Development Authority and Kwik Trip, Inc., which was inadvertently assigned the same Resolution Number 2024-01;

Whereas, in order to keep the record clear, the Resolution consenting to the first amendment to the purchase agreement by and between Glendenning Farms L.P., WAG Farms, Inc., and Joan Glendenning Kennedy Family limited partnership and Cottage Grove Economic Development Authority and the first amendment to purchase agreement by and between the Cottage Grove Economic Development Authority and Kwik Trip, Inc., which was inadvertently assigned the same resolution number 2024-01 Adopted on February 13, 2025, shall be assigned new resolution number 2024-014.

Now therefore be it resolved that the resolution consenting to the First Amendment to the purchase agreement by and between Glendenning Farms L.P., WAG Farms, Inc., and Joan Glendenning Kennedy Family limited partnership and Cottage Grove Economic Development Authority and the first amendment to purchase agreement by and between the Cottage Grove Economic Development Authority and Kwik Trip, Inc., adopted February 13, 2025, is hereby assigned Resolution number 2024-014 and shall be modified in the EDA's official record book to reflect that newly assigned number.

Now therefore be it further resolved that the minutes of the February 13, 2025, meeting shall reflect that the resolution number was later modified and identify as the new resolution number 2024-014.

Adopted this 10th day of June 2025.

Myron Bailey, President

Attest:

Jennifer Levitt, Executive Director

**COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF COTTAGE GROVE
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 01

**RESOLUTION APPROVING A MODIFICATION TO THE
DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1
AND ADOPTING A TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING DISTRICT NO. 1- 21 (ROERS)**

Be It Resolved by the Board of Commissioners of the Cottage Grove Economic Development Authority as follows:

Section 1. Recitals

1.01. The City of Cottage Grove (the “City”) and the Cottage Grove Economic Development Authority (the “EDA”) previously established Development District No. 1 (the “Development District”) and adopted a Development Program for same (the “Development Program”).

1.02. The City and the EDA have decided to modify the Development Program to include an additional tax increment financing district.

1.03. In response to a new development opportunity, the EDA has also determined to create Tax Increment Financing District No. 1-21 (Roers) (the “TIF District”) within Development District No. 1 pursuant to Minnesota Statutes, sections 469.174 through 469.1794 (the “TIF Act”) and has proposed using tax increment financing to facilitate the development of a project consisting of approximately 144 multifamily rental apartments and 216 parking spaces, of which 134 will be structured parking. The proposed TIF District is housing tax increment financing district within the meaning of Minnesota Statutes, Section 469.174, subd. 11.

1.04. The EDA has caused to be prepared a document entitled “Modification to the Development Program, Development District No. 1 and Tax Increment Financing Plan for Tax Increment Financing District No. 1-21 (Roers) (a housing district)”.

1.05. A copy of the Modification to the Development Program and the TIF Plan, including estimates of the fiscal and economic implications of the TIF District, was provided to Washington County and Independent School District 833 at least 30 days before the date of the public hearing to be held before the Cottage Grove City Council.

1.06. The EDA has fully reviewed the contents of the Modification to the Development Program and the TIF Plan.

Section 2. Findings; Modification of Development District No. 1

2.01. The Development Program is intended to afford maximum opportunity, consistent with the needs of the City, for the development and redevelopment of the Development District by private enterprise and to conform to the general plans for the development and redevelopment of the City as a whole.

2.02. The EDA finds that the Modification to the Development Program will continue to guide development and redevelopment within those areas of Cottage Grove which have been identified as benefitting from such assistance and provides for the establishment of an additional tax increment financing district to accomplish such goals and objectives.

Section 3. Findings; TIF District No. 1-21

3.01. The EDA hereby finds that it is necessary and desirable for the sound and orderly development and redevelopment of the Development District and Cottage Grove as a whole, and for the protection and preservation of the public health, safety, and general welfare, that the authority granted to the EDA pursuant to the TIF Act be exercised to establish the TIF District within the Development District.

3.02. The EDA further finds and it is the reasoned opinion of the EDA that the development proposed in the TIF Plan for the TIF District could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

3.03. The Plan for the TIF District conforms to the general plans for development of Cottage Grove as a whole.

3.04. The Plan for the TIF District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the TIF District and the Development District by private enterprise.

3.05. The TIF District is a housing tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 11, based on the findings described in the TIF Plan.

3.06. Additional reasons and facts supporting the findings regarding the TIF District are stated in the TIF Plan. The EDA has relied upon the representations of the developer and a review of the developer's proforma, the reports and recommendations of its staff and consultants as well as the personal knowledge of the board of commissioners of the EDA in reaching its conclusions regarding the TIF District.

Section 4. Modification of Development Program and TIF Plan Adopted; Effective Date

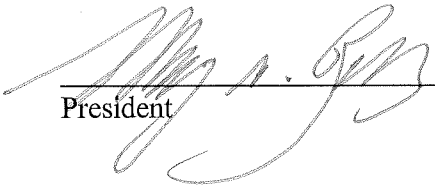
4.01. The Modified Development Program and the TIF Plan are hereby approved and adopted.

4.02. The geographic boundaries of the Development District and of the TIF District are as described in the Modified Development Program and the TIF Plan, respectively, and are incorporated herein by reference.

4.03. The Executive Director is authorized and directed to transmit a copy of this resolution together with a copy of the Modified Development Program and the TIF Plan to the Cottage Grove City Council with a request that the City Council conduct such hearings as required by law and approve said plans as soon hereafter as possible.

4.04. This resolution is effective on the date of its approval.

Approved by the Board of Commissioners of the Cottage Grove Economic Development Authority this 9th day of January, 2024.



President

Attest:



Jennifer Levitt, Executive Director

CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2024-01

**A RESOLUTION APPROVING THE FIRST AMENDMENT TO
PURCHASE AGREEMENT BY AND BETWEEN GLENDENNING FARMS, L.P., WAG
FARMS, INC. AND JOAN GLENDENNING KENNEDY FAMILY LIMITED
PARTNERSHIP AND COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
AND
THE FIRST AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN THE
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
AND KWIK TRIP, INC.**

WHEREAS, on August 29, 2023, the Cottage Grove Economic Development Authority ("EDA") by and through Resolution No. 2023-04, after a public hearing, approved the purchase of real property from Glendenning Farms, L.P., WAG Farms, Inc. and Joan Glendenning Kennedy Family Limited Partnership ("WAG"), and sale of the same property to Kwik Trip, Inc. ("Developer"), which is legally described as follows:

Lot 1, Block 2, Lake Flora Second Addition

Abstract Property

WHEREAS, the Purchase Agreement with Developer was executed by Developer and effective on October 6, 2023; and

WHEREAS, the Developer has requested an extension of the Closing Date to November 29, 2024, due to uncontrollable circumstances; and

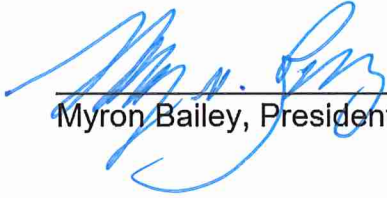
WHEREAS, the EDA has requested the same extension of the Closing Date to November 29, 2024, due to uncontrollable circumstances; and

WHEREAS, the EDA and WAG, respectively, agree to the extension.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Cottage Grove Economic Development Authority as follows:

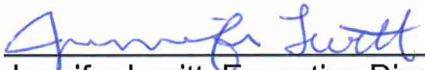
1. The First Amendment to Purchase Agreement by and between WAG and EDA is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.
2. The First Amendment to Purchase Agreement by and between EDA and Developer is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 13th day of February 2024.



Myron Bailey, President

Attest:



Jennifer Levitt, Executive Director

TO: Economic Development Authority

FROM: Jennifer Levitt, City Administrator

DATE: June 5, 2025

RE: Purchase Agreement with Martha Ross

Background/Discussion

The property at 9430 East Point Douglas Road, is located next to Walmart and near the future Shoppes at Cottage View property. The parcel currently has a single-family home on the site and the parcel is approximately 3.59 acres. The purchase price is \$1,055,000.

The property is currently zoned residential but is guided as mixed-use in the City's Comprehensive Plan. The City applied for EPA funds from Washington County CDA for a Phase 1 ESA and those funds have been approved. The engineering team at Stantec is currently working with the City to conduct a site assessment and soil borings. We anticipate the Phase 1 to be completed by June. An appraisal was completed by BRKW Real Estate Valuation Services.



The site would be the future home of a hotel development. This busy corner ensures high visibility and easy access for business travelers and visitors, making it an ideal spot for attracting potential guests. The proximity of the property to the City Business Park, which is less than 1 mile, is ideal. The business park currently has over 3,550 employees. The business park managers report that their corporate visitors, vendors, contractors and others who regularly visit their facilities, have to stay in nearby Woodbury, Hastings, or the near the airport, due to a lack accommodations and a preference for national brand hotels.

Currently, the City has an open RFP related to the property for the development of a hotel on this site. The City is proposing a 90 room, mid-scale to upper mid-scale, national brand hotel on the site. In December of 2024, the City engineering consultants at Bolton-Menk created a conceptual layout for a potential 3-story, 90 room hotel. The proposed building footprint is approximately 190,000 SF with 140 parking spaces.



Recommendation

1. Authorize the EDA President and City Administrator to execute the Purchase Agreement with Martha Ross for the purchase of 3.59 acres for development purposes.

Attachments

Purchase Agreement with Martha Ross
9430 East Point Douglas Appraisal
Hotel RFP

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into as of _____, 2025 ("Effective Date"), by and between Martha J. Ross, a single person ("Seller"), and the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota ("EDA" or "Buyer").

RECITALS

- A. Seller is the fee owner of real property located at 9430 East Point Douglas Road South, in the City of Cottage Grove, Minnesota, legally described on Exhibit A (the "Property"), attached hereto and incorporated herein by reference.
- B. Buyer desires to purchase the Property from Seller, and Seller desires to sell the same to Buyer, all on the terms and conditions of this Agreement.

NOW, THEREFORE, Seller and Buyer agree as follows:

1. **Sale.**

1.1. **Sale.** Subject to the terms and provisions of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Property excluding any personal property on site.

1.2. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property shall be One Million Fifty-Five Thousand Dollars and 00/100s (\$1,055,000.00) (the "Purchase Price"), payable as follows: (a) Twenty Five Thousand Dollars and 00/100s (\$25,000.00), as earnest money ("Earnest Money"), to be paid to DCA Title, 750 Main Street, Suite 280, Mendota Heights, MN 55118 ("Title") upon execution of this Agreement; and (b) the balance on the Closing Date (as defined in Section 6) subject to those adjustments, prorations, and credits described in this Agreement, in cash or certified funds or by wire transfer pursuant to instructions from Seller. The Closing will occur at Title, unless otherwise agreed to by the parties. If this Agreement is terminated by Buyer as a result of a default by Seller, then the Earnest Money shall be returned to Buyer and neither Seller nor Buyer shall be liable to the other for any further obligations under this Agreement (except for such obligations as specifically survive termination of this Agreement).

2. **Available Surveys, Tests, and Reports.** Within five (5) days of the Effective Date, Seller shall cause to be delivered to Buyer to the extent same are in the possession and control of Seller: (a) copies of any surveys, soil tests and environmental reports previously conducted on the Property; (b) copies of leases associated with the Property, (c) copies of existing title work for the Property (the "Due Diligence Materials"). Seller makes no representations or warranties regarding the accuracy or completeness of the Due Diligence Materials. Buyer acknowledges that the sale of the Property is "AS-IS", "WHERE IS," and "WITH ALL FAULTS", and that it is the obligation of Buyer to conduct and complete its due

diligence and investigations relating to the Property.

3. **Buyer's Investigations.** For a period up to Closing Date, following the Effective Date, Seller shall allow Buyer and Buyer's agents access to the Property without charge and at all times for the purpose Buyer's investigation and testing of the Property, including surveying and testing of soil and groundwater, and a Phase I environmental assessment ("Buyer's Investigations"); provided, however, Buyer shall not perform any additional invasive testing unless (a) Seller gives its prior approval of Buyer's consultant that will perform the testing, which approval shall not be unreasonably withheld, conditioned or delayed, and (b) Buyer gives Seller reasonable prior notice of such testing. Seller shall have the right to accompany Buyer during any of Buyer's Investigations of the Property. Buyer shall provide to Seller copies of all third-party, non-confidential written test results and reports conducted as part of Buyer's Investigations. Except as otherwise provided herein, Buyer agrees to pay all of the costs and expenses associated with Buyer's Investigations, to cause to be released any lien on the Property arising as a result of Buyer's Investigations and to repair and restore, at Buyer's expense, any damage to the Property caused by Buyer's Investigations. Buyer shall indemnify and hold Seller and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys' fees, arising from Buyer's Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement. If this Agreement is terminated based upon any environmental condition as herein provided, and Seller requests, Buyer shall give Seller copies of any and all Phase I reports obtained by Buyer.
4. **Insurance; Risk of Loss.** Seller assumes all risk of destruction, loss, or damage to the Property prior to the Closing Date, except to the extent the same is caused by an act or omission of Buyer. If, prior to the Closing Date, all or any portion of the Property or access thereto is condemned, taken by eminent domain, or damaged by cause of any nature, or the Property is rendered untenable, Seller shall immediately give Buyer notice of such condemnation, taking, or damage. After receipt of notice of such condemnation, taking or damage (from Seller or otherwise), Buyer shall have the option (to be exercised within thirty (30) days after Seller's written notice) either (a) to require Seller to (i) convey the Property at Closing (as defined in Section 6) to Buyer in its damaged condition, upon and subject to all of the other terms and conditions of this Agreement without reduction of the Purchase Price, (ii) assign to Buyer at Closing all of Seller's right, title and interest in and to any claims Seller may have to insurance proceeds, condemnation awards and/or any causes of action with respect to such condemnation or taking of or damage to the Property or access thereto, and (iii) pay to Buyer at Closing by certified or official bank check all payments made prior to the Closing Date under such insurance policies or by such condemning authorities, or (b) to terminate this Agreement by giving notice of such termination to Seller, whereupon this Agreement shall be terminated, any amount previously paid by Buyer to Seller shall be refunded to Buyer and thereafter neither party shall have any further obligations or liabilities to the other. If the right to terminate this Agreement is not exercised within such thirty (30) day period, such right shall be deemed to have been waived. Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent, which consent shall not be unreasonably withheld.

5. **Contingencies.**

5.1. **Buyer's Contingencies.**

5.1.1. Unless waived by Buyer in writing, Buyer's obligation to proceed to Closing shall be subject to (a) performance by Seller of its obligations hereunder, (b) the continued accuracy of Seller's representations and warranties provided in Section 9.1, and (c) Buyer's satisfaction, in Buyer's sole discretion, as to the contingencies described in this Section 5.1:

5.1.1.1. On or before the Closing Date, Buyer shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by Buyer's Investigations, physical inspection, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property, and all other inspections and due diligence regarding the Property, including any association rules or regulations applicable to any of the Property or any Due Diligence Materials. If Buyer has not terminated this Agreement on or before the Closing Date, the contingency set forth in this paragraph shall be deemed waived.

5.1.1.2. On or before the Closing Date, Buyer shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in a form and substance satisfactory to Buyer in Buyer's sole discretion, not disclosing any encumbrance not acceptable to Buyer in Buyer's sole discretion (the "Approved Commitment"). If Buyer has not terminated this Agreement on or before the Closing Date, the contingency set forth in this paragraph shall be deemed waived.

5.1.1.3. On or before the Closing Date, Buyer may obtain an ALTA survey for the Property certified to Buyer and Title.

5.1.1.4. On or before the Closing Date, Seller shall have obtained releases of the Property from any and all mortgages or other monetary liens affecting any of the Property.

5.1.1.5. On or before the Closing Date, Seller shall have obtained all valid, necessary and sufficient waivers, assignments, subordinations, non-disturbance, attornments, approvals, authorizations, estoppel certificates and consents of each and every party whose waiver, subordination, non-disturbance, attornment, approval, authorization, estoppel certificate or consent to transfer the Property and consummate the transactions contemplated by this Agreement.

- 5.1.1.6. On or before the Closing Date, the proper termination or assignment of any and all lease rights related to the Property to the satisfaction of the Buyer.
- 5.1.1.7. On or before the Closing Date, the vacation of the Property by the Seller, except as provided in Section 6.
- 5.1.1.8. On or before the Closing Date, Seller shall terminate or with consent of Buyer, shall assign all surviving contracts, permits and licenses, warranties, and intangible property conveying to Buyer with warranties the surviving contracts, permits and licenses, warranties and intangible property, free and clear of all encumbrances, together with the consent of all parties having the right to consent to such assignment, if necessary.
- 5.1.1.9. On or before the Closing Date, Seller shall execute a Bring-Down Certificate certifying that all of the warranties and representations made by Seller in this Agreement remain true as of the date of closing.
- 5.1.1.10. On or before the Closing Date, Seller shall execute and record an Affidavit of Identity and Survivorship with Washington County, to remove Seller's deceased husband from title to the Property and effectively clearing title to the Property.
- 5.1.1.11. On or before the Closing Date, the termination or elimination of any and all option to purchase rights, Rights of First Refusal, or Rights of First Offer related to the Property to the satisfaction of Buyer.
- 5.1.1.12. On or before the Closing Date, Buyer shall have secured sufficient funding to satisfy the Purchase Price.

The foregoing contingencies are for Buyer's sole and exclusive benefit and one (1) or more may be waived in writing by Buyer in its sole discretion, or by the passage of time as set forth hereinabove. Seller shall reasonably cooperate with Buyer's efforts to satisfy such contingencies, at no out-of-pocket cost to Seller or assumption of any obligation or liability by Buyer. Buyer shall bear all cost and expense of satisfying Buyer's contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to Seller, and the Earnest Money shall be returned to Buyer. If Buyer terminates this Agreement as a result of a failure of a Buyer contingency prior to the applicable date, the Earnest Money shall be retained by Seller and neither Seller nor Buyer shall be liable to the other for any further obligations under this Agreement (except for such obligations

as survive termination of this Agreement). Such written notice must be given on or before the applicable date set forth herein above for such contingency, or Buyer's right to terminate this Agreement pursuant to such contingency shall be waived. Upon termination, neither party shall have any further rights or obligations against the other regarding this Agreement or the Property, except for such obligations that survive termination of this Agreement.

5.1.2. If Buyer elects not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of Seller set out in this Agreement. Further, Buyer shall not be deemed to have waived any of the foregoing contingencies on account of its execution of this Agreement.

5.2. **Seller's Contingencies.** Seller's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

5.2.1. Buyer shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by or prior to the Closing Date.

5.2.2. All representations and warranties of Buyer contained in this Agreement shall be accurate as of the Closing Date.

5.2.3. There shall be no uncured default by Buyer of any of its obligations under this Agreement as of the Closing Date, not otherwise waived by Seller.

If any contingency contained in this Section 5.2 has not been satisfied on or before the date described herein, and if no date is specified, then the Closing Date, then this Agreement may be terminated by written notice from Seller to Buyer, and the Earnest Money shall be retained by Seller. If termination occurs all documents deposited by Buyer shall be immediately returned to Buyer, and all documents deposited by Seller shall be immediately returned to Seller and neither party will have any further rights or obligations with respect to this Agreement or the Property, except for such obligations that survive termination of this Agreement. If Seller terminates this Agreement as a result of a failure of a Seller contingency prior to the applicable date, the Earnest Money shall be returned to Buyer. All the contingencies in this Section 5.2 are specifically for the benefit of Seller, and Seller shall have the right to waive any contingency in this Section 5.2 by written notice to Buyer.

6. **Closing.** The Closing of the purchase and sale contemplated by this Agreement ("Closing") shall occur on or before March 1, 2026 ("Closing Date"), unless otherwise agreed to by the parties. Seller agrees to deliver legal and actual possession of the Property to Buyer on the Closing Date. Seller may request a Closing Date prior to March 1, 2026 and enter into a Lease Agreement with the EDA to continue to occupy the Property, but in no event shall the Lease Agreement extend past March 1, 2026. Rent for the term of the

Lease Agreement shall be One Dollar (\$1.00) and in addition, Seller shall pay all utilities during the term of the Lease Agreement. Other terms and conditions of the Lease Agreement shall be mutually agreed to in writing by the parties.

6.1. **Seller's Closing Documents and Deliveries.** On the Closing Date, Seller shall execute and/or deliver, as applicable, to Buyer the following:

6.1.1. **Warranty Deed.** A warranty deed, with state deed tax paid, conveying title to the Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances (the "Deed").

6.1.2. **Assignment and Assumption of Leases, Contracts, Permits and Licenses.** If consent is authorized by the Buyer, Seller shall execute an assignment and assumption of leases, surviving contracts, permits and licenses, warranties, and intangible property conveying to Buyer with warranties the surviving contracts, permits and licenses, warranties and intangible property, free and clear of all encumbrances, together with the consent of all parties having the right to consent to such assignment, if necessary.

6.1.3. **FIRPTA Affidavit.** An affidavit of Seller certifying that Seller is not a "foreign person", "foreign partnership", foreign trust", "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

6.1.4. **Seller's Affidavit.** A standard owner's affidavit (ALTA form) from Seller which may be reasonably required by Title to issue an owner's policy of title insurance with respect to the Property with the so-called "standard exceptions" deleted.

6.1.5. **Bring-Down Certificate.** A certificate dated as of the Closing Date, signed by an authorized officer of Seller, certifying that the representations and warranties of Seller contained in this Agreement are true as of the Closing Date.

6.1.6. **Settlement Statement.** A settlement statement with respect to this transaction.

6.1.7. **General Deliveries.** All other documents reasonably determined by Title to be necessary to transfer the Property to Buyer and to evidence that Seller (a) has satisfied all indebtedness with respect thereto, (b) has obtained such termination statements or releases from such secured creditors as may be necessary to ensure that the Property is subject to no liens or encumbrances, (c) has obtained all consents from third parties necessary to effect the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Property, (d) has provided such other documents

as are reasonably determined by Title to be necessary to issue policies of title insurance to Buyer with respect to the Property with the so-called "standard exceptions" deleted, and (e) has duly authorized the transactions contemplated hereby.

- 6.1.8. **Lease Termination or Assignment.** Documents evidencing termination or assignment of all existing leases of the Property as between Seller and any tenants.
- 6.2. **Buyer's Closing Documents and Deliveries.** On the Closing Date, Buyer shall execute and/or deliver, as applicable, to Seller the following:
 - 6.2.1. **Payment of Purchase Price.** The Purchase Price, in accordance with the terms of Section 1.2.
 - 6.2.2. **FIRPTA Affidavit.** An affidavit of Buyer certifying that Buyer is not a "foreign person", "foreign partnership", foreign trust", "foreign estate" nor a "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.
 - 6.2.3. **Buyer's Affidavit.** A standard owner's affidavit (ALTA form) from Buyer which may be reasonably required by Title to issue an owner's policy of title insurance with respect to the Property with the so-called "standard exceptions" deleted.
 - 6.2.4. **Bring-Down Certificate.** A certificate dated as of the Closing Date, signed by an authorized officer of Buyer, certifying that the representations and warranties of Buyer contained in this Agreement are true as of the Closing Date.
 - 6.2.5. **Settlement Statement.** A settlement statement with respect to this transaction.
 - 6.2.6. **General Deliveries.** All other documents reasonably determined by Title to be necessary to evidence that Buyer has duly authorized the transactions contemplated hereby and evidence the authority of Buyer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Buyer pursuant to this Agreement, or may be required of Buyer under applicable law, including any purchaser's affidavits or revenue or tax certificates or statements.
- 7. **Prorations.** Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:
 - 7.1. **Title Evidence and Closing Fee.** Seller will pay all costs of the Title Commitment with respect to the Property. Buyer will pay all costs of the Survey, if any, and all

premiums for any title insurance policy it desires with respect to the Property. Seller and Buyer shall each pay one-half (1/2) of any reasonable closing fee or charge imposed by Title.

- 7.2. **Transfer Taxes.** Seller shall pay all state deed tax and conservation fee regarding the Deed.
- 7.3. **Recording Costs.** Seller will pay the cost of recording all documents necessary to place record title to the Property in Seller including, but not limited to, costs of recording any documents necessary to cure any Objections, as hereinafter defined. Buyer will pay all recording costs with respect to the recording of the Deed.
- 7.4. **Real Estate Taxes and Special Assessments.** General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between Seller and Buyer on a daily basis as of 12:00 a.m. CT on the Closing Date based upon a calendar fiscal year, with Seller paying those allocable to the period prior to the Closing Date and Buyer being responsible for those allocable to the Closing Date and subsequent thereto. Except as set forth herein with regard to special assessments associated with Buyer's development of the Property, Buyer shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) levied, pending, postponed or deferred with respect to any of the Property as of the Closing Date. Buyer shall be responsible for any special assessments that are levied or become pending against the Property after the Closing Date. Notwithstanding anything to the contrary set forth herein, in the event that there are special assessments levied against the Property after the Effective Date, which special assessment relate to Buyer's development of the Property, such special assessments shall be assumed by Buyer at Closing.
- 7.5. **Attorneys' Fees.** Seller and Buyer shall each pay its own attorneys' fees incurred in connection with this transaction.
- 7.6. **Survival.** The obligations set forth in this Section 7 survive the Closing.
8. **Title Examination.** Within a reasonable time following the Effective Date, Buyer shall obtain the following: (i) a commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title for the Property, and copies of all encumbrances described in the commitment (Commitment); and, if it desires, (ii) an ALTA-certified survey bearing the legal description of the Property, and showing the area, dimensions and location of the Property (Survey) (the Survey together with the Commitment shall be known as the "Title Evidence").
 - 8.1. **Buyer's Objections.** Within twenty (20) calendar days after Buyer's receipt of the last of the Title Evidence, or twenty (20) days after the date of execution of this Agreement, whichever occurs later, Buyer may make written objections (Objections) to the form or content of the Title Evidence. The Objections may include without limitation, any easements, restrictions or other matters which may

interfere with Buyer's intended use of the Property or matters which may be revealed by the Survey. Any matters reflected on the Commitment which are not objected to by Buyer within such time period shall be deemed to be permitted encumbrances (Permitted Encumbrances). Buyer shall have the renewed right to object to the Commitment as the same may be revised or endorsed from time to time.

- 8.2. **Seller's Cure.** Seller shall be allowed twenty (20) calendar days after the receipt of Buyer's Objections to cure the same but shall have no obligation to do so. If such cure is not completed within said period, or if Seller elects not to cure such Objections, Buyer shall have the option to do any of the following:

8.2.1. Terminate this Agreement with respect to all of the Property.

8.2.2. Waive one (1) or more of its Objections and proceed to Closing.

If Buyer so terminates this Agreement, neither Seller nor Buyer shall be liable to the other for any further obligations under this Agreement and any amount previously paid by Buyer to Seller shall be refunded to Buyer.

9. **Warranties and Representations.**

- 9.1. **By Seller.** Seller warrants and represents the following to Buyer, and acknowledges that Buyer has relied on such representations and warranties in agreeing to enter into this Agreement:

9.1.1. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms. Seller has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto. This Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto have each been duly authorized by Seller and such execution, delivery and performance does and will not conflict with or result in a violation of any judgment or order.

9.1.2. The execution, delivery and performance by Seller of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to Seller, or (b) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Seller is a party or by which it or any of its properties may be bound.

9.1.3. To Seller's knowledge, except as contemplated herein, no order, consent,

approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any other entity, is required on the part of Seller to authorize, or is required in connection with, the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, this Agreement.

- 9.1.4. To Seller's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting Seller or the Property, before any court or arbitrator, or any governmental department, board, agency or other instrumentality which in any of the foregoing (a) challenges the legality, validity or enforceability of this Agreement, or (b) if determined adversely to Seller, would have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.
- 9.1.5. To Seller's knowledge, there are one or more wells on the Property. To Seller's knowledge, there are one or more sewage treatment systems located on the Property. To Seller's knowledge, there has been no methamphetamine production on or about any portion of the Property.
- 9.1.6. Seller is not a "foreign person," "foreign corporation," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code.
- 9.1.7. To Seller's knowledge, except as may be disclosed as part of the Due Diligence Materials, (i) no condition exists on the Property that may support a claim or cause of action under any Environmental Law (as defined below) and there are no Hazardous Substances (as defined below) on the Property, (ii) there has been no release, spill, leak or other contamination or otherwise onto the Property, and (iii) there are no restrictions, clean ups or remediation plans regarding the Property. To Seller's knowledge, except as may be disclosed as part of the Due Diligence Materials, there is no buried waste or debris on any portion of the Property. "Environmental Law" shall mean (a) the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601-9657, as amended, or any similar state law or local ordinance, (b) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., (c) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (d) the Clean Air Act, 42 U.S.C. § 7401, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (f) the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., (g) any law or regulation governing aboveground or underground storage tanks, (h) any other federal, state, county, municipal, local or other statute, law, ordinance or regulation, including, without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01, et seq., (i) all rules or regulations promulgated under any of the foregoing, and (j) any

amendments of the foregoing. "Hazardous Substances" shall mean polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and shall include, without limitation, substances defined as "hazardous substances," "toxic substances," "hazardous waste," "pollutants or contaminants" or similar substances under any Environmental Law.

- 9.1.8. There are no unrecorded contracts of any nature or type relating to, affecting or serving the Property, to which the Seller is a party.
- 9.1.9. There will be no indebtedness attributable to the Property which will remain unpaid after the Closing Date.

The representations, warranties and other provisions of this Section 9.1 shall survive Closing for a period of one (1) year from the Closing Date; provided, however that Seller shall have no liability with respect to a breach of the representations and warranties set forth in this Agreement if Buyer has actual knowledge of Seller's breach thereof prior to Closing and Buyer consummates the acquisition of the Property as provided herein.

Buyer acknowledges and agrees that, except as expressly specified in this Section 9 of this Agreement, Seller has not made, and Seller hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or arising by operation of law, with respect to the Property, including but not limited to, any warranties or representations as to the habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, physical or environmental condition, utilities, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy or completeness of any information provided by or on behalf of Seller to Buyer, or any other matter or item regarding the Property. Buyer agrees to accept the Property and acknowledges that the sale of the Property as provided for herein is made by Seller on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the deed.

- 9.2. **By Buyer.** Buyer warrants and represents the following to Seller, and acknowledges that Seller has relied on such representations and warranties in agreeing to enter into this Agreement:

- 9.2.1. Buyer has all requisite authority to enter into this Agreement and to perform all of its obligations under this Agreement.
- 9.2.2. The execution, delivery and performance by Buyer of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any

order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to Buyer, (b) violate or contravene any provision of the articles of incorporation or bylaws of Buyer, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Buyer is a party or by which it or any of its properties may be bound.

The representations, warranties and other provisions of this Section 9.2 shall survive Closing; provided, however, Buyer shall have no liability with respect to any breach of a particular representation or warranty if Seller shall fail to notify Buyer in writing of such breach within one (1) year after the Closing Date.

10. **Additional Obligations of Buyer.**

10.1 **SSTS Systems and Wells.** Buyer shall perform inspection(s), receive approval(s) and permit(s), or perform such other actions as may be necessary to (i) abandon or otherwise bring into compliance any subsurface sewage treatment system(s) on the Property in accordance with Minnesota Statute §115 and other applicable state and local laws and (ii) seal or bring into compliance any wells on the Property in accordance with any applicable agency rules and other state and local laws. Buyer agrees it shall not look to Seller for any costs or expenses associated with the actions in this section or require Seller to take any action related to the subsurface sewage treatment system(s) and well(s) on the Property except to the extent Seller's cooperation may be reasonably necessary to effectuate Buyer's obligations hereunder or the terms of this Purchase Agreement. Buyer further agrees that its activities under this section shall not materially affect the habitability of the Property prior to the Closing Date or cause any lien to attach to the Property and that Buyer shall indemnify and hold Seller and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys' fees, arising from Buyer's actions hereunder.

11. **Additional Obligations of Seller.**

11.1. **Licenses and Permits.** With consent of Buyer, Seller shall transfer to Buyer all transferable rights, if any, in any permits or licenses held by Seller with respect to the Property.

11.2. **Condition of Property at Closing.** On the Closing Date, Seller shall deliver to Buyer exclusive possession of the Property, unless Seller exercises the option to lease the Property as provided in Section 6, in which case, possession of the Property shall be delivered upon termination of the Lease Agreement. Seller agrees that following the Closing, Buyer may dispose of any trash or personal property remaining on the Property, in Buyer's sole discretion, and that any such items shall, after Closing, be considered abandoned. Buyer acknowledges that the Property contains a shed and a pump house. Seller shall be under no obligation to remove

said shed and pump house from the Property and the same shall be considered abandoned upon Closing. Buyer hereby agrees it shall not seek reimbursement or other consideration from Seller for removal and disposal of any abandoned structures or tangible personal property remaining on the Property after Closing. Seller shall indemnify Buyer for a period of one (1) year with regard to claims of conversion brought with respect to personal property present on the Property at Closing. Seller shall be allowed to remove the rooftop units within a reasonable time after notice from the Buyer that the Property is vacant. If the rooftop units are not removed within the time specified in the Buyer's notice, they shall be considered abandoned.

11.3. **Further Assurances.** From and after the Closing Date, Seller agrees to execute, acknowledge and deliver to Buyer such other documents or instruments of transfer or conveyance as may be reasonably required to carry out its obligations pursuant to this Agreement.

11.4. **Non-Assumption of Contracts or Other Obligations.** The parties understand and agree that Buyer is only acquiring certain of Seller's real property assets and that this Agreement, and any related agreements shall not be construed to be in any manner whatsoever an assumption by Buyer of any agreements, indebtedness, obligations or liabilities of Seller which are owing with respect to the operation of the Property prior to the Closing Date.

11.5. **Mortgages.** On or before the Closing Date, Seller shall satisfy all mortgage and/or lien indebtedness with respect to all or any portion of the Property and shall obtain recordable releases of the Property from any and all such mortgages or other liens affecting all or any portion of the Property. Notwithstanding the foregoing, Seller shall not be obligated to satisfy any liens that result from Buyer's Investigations.

11.6. **Marketing.** At all times prior to the Closing Date, Seller shall not negotiate in any manner for the sale or transfer of the Property with any third party.

12. **No Broker.** It is acknowledged that there is not a broker for Buyer or Seller.

13. **Notice.** Any notice to be given by one party hereto shall be personally delivered (including messenger delivery) or be sent by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses in this Section (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

If to Buyer:

Cottage Grove Economic Development Authority
Attn: Jennifer Levitt, EDA Executive Director
12800 Ravine Parkway South
Cottage Grove, MN 55016

with a copy to:

Korine L. Land
LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121

If to Seller:

Martha J. Ross
9430 East Point Douglas Road South
Cottage Grove, MN 55016

with a copy to:

Morris Law Group, P.A.
Attn: Amy Mattson
7380 France Ave. S. Ste. 250
Edina, MN 55435

14. **Default; Remedies.** If either Seller or Buyer fails to perform any of their respective obligations under this Agreement in accordance with its terms, and such failing party does not cure such failure within thirty (30) days after written notice thereof from the other party (provided that no notice or cure period shall be required for obligations to be performed at Closing), then the other party shall have the right to terminate this Agreement by giving the failing party written notice of such election. In the case of any default by Buyer, Seller's sole and exclusive remedy shall be termination of this Agreement as provided above and retention of Earnest Money. In the case of any default by Seller, the Earnest Money shall be returned to Buyer and Buyer shall also have the right to specifically enforce this Agreement.
15. **Cumulative Rights.** No right or remedy conferred or reserved to Seller or Buyer is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.
16. **Entire Agreement; Modification.** This written Agreement constitutes the complete agreement between the parties with respect to this transaction and supersedes any prior oral or written agreements between the parties regarding this transaction. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.
17. **Binding Effect; Survival.** This Agreement binds and benefits the parties and their respective successors and assigns. Buyer may not assign this Agreement without the prior written consent of the Seller. All representations and warranties, and indemnification obligations of the parties hereto shall survive the Closing.
18. **Governing Law.** The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any legal action related to this Agreement shall be venued in Washington County District Court.

19. **Rules of Interpretation.** The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof. References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.
20. **Titles of Sections.** Any titles of the sections, or any subsections, of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
21. **Counterparts; Facsimiles.** This Agreement may be executed in any number of counterparts, and all of the signatures to this Agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or “PDF” signatures on this Agreement shall be treated as originals.
22. **Represented by Counsel.** Each party confirms that it has had the opportunity to be represented and advised by counsel in this transaction.
23. **Time of the Essence.** Time is of the essence of this Agreement.

[remainder of page intentionally left blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

SELLER:
MARTHA J. ROSS

By Martha J. Ross
Martha J. Ross
5-30-2025

**BUYER:
COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Myron Bailey
Its Mayor

By _____
Jennifer Levitt
Its Executive Director

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Real property located in Washington County Minnesota legally described as follows:

[Title Commitment legal description to govern]

Abstract Property

PIDs: 22-027-21-34-0002

AN APPRAISAL REPORT
(BRKW FILE NO. 8215)

SINGLE-FAMILY HOME ON 3.59 ACRES
9430 EAST POINT DOUGLAS ROAD S.
COTTAGE GROVE, MN 55016

FEE OWNER OF RECORD:
MARTHA J. AND JAMES R. ROSS

VALUATION DATE:
JANUARY 23, 2025

FOR

GRETCHEN LARSON
ECONOMIC DEVELOPMENT DIRECTOR
CITY OF COTTAGE GROVE
12800 RAVINE PKWY. S.
COTTAGE GROVE, MN 55016

BY

PAUL J. GLEASON, MAI

February 21, 2025

Gretchen Larson
Economic Development Director
City of Cottage Grove
12800 Ravine Pkwy. S.
Cottage Grove, MN 55016

Re: Single-Family Home on 3.59 Acres
9430 East Point Douglas Road S.
Cottage Grove, MN 55016
Fee Owner of Record: Martha J. And James R. Ross

Dear Ms. Larson:

At your request, I have inspected the above referenced property and have made a study of conditions affecting its value. The purpose of the appraisal is to develop an opinion of the "as is" market value of the fee simple interest in the subject property. The intended use of the appraisal is for assisting the City of Cottage Grove in the potential acquisition of the subject property to facilitate redevelopment of the property. The intended users are officials of the City of Cottage Grove. The client of this assignment is the City of Cottage Grove.

The appraisal is presented in an Appraisal Report format, with a level of discussion that can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraisers' opinions and conclusions.

The subject property comprises 3.59 acres of land located on the northeast side of East Point Douglas Road S., somewhat less than 0.20 miles northwest of the interchange of Highway 61 and Keats Avenue in Cottage Grove. The property is improved with a two-story single-family house built in 1901, two small outbuildings and supporting site improvements. The property is zoned R-3, Single-Family Residential and is guided for Commercial use in the city 2040 comprehensive land use plan.

It has been concluded that the highest and best use of the property is for demolition of the existing improvements and redevelopment of the land with a commercial use.

The effective date of valuation is January 23, 2025, which is the date of property inspection. By virtue of my investigation, I have formed the opinion that the "as is" market value of the fee simple interest in the subject property, as of January 23, 2025 is as follows:

As Is Value

**ONE MILLION TWENTY-NINE THOUSAND DOLLARS
(\$1,029,000)**

This appraisal assignment was not based on a requested minimum valuation or a specific valuation for approval of a loan. The opinion of market value identified in this report was developed independent of any undue influence.

The appraised value, which is based on an exposure time of 6 to 12 months, assumes all real estate taxes and special assessment balances, if any, have been paid in full. It is a gross value and no allowance was made for brokerage commissions, real estate taxes or other carrying costs associated with the property during the marketing period. No personal property has been included in this appraisal.

This appraisal report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.

The facts and information contained in this report were obtained from sources that are considered to be reliable and are true to the best of my knowledge and belief, but are not guaranteed. This appraisal report is contingent upon the assumptions and limiting conditions included within this report. Your attention is directed to the following report for the supporting data, analyses and conclusions that support the market value opinion.

Sincerely,

BRKW APPRAISALS, INC.



Paul J. Gleason, MAI

Certified General Real Property Appraiser

Minnesota License #4003073

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SALIENT FACTS AND CONCLUSIONS

Property & Location:	Single-Family Home on 3.59 Acres 9430 East Point Douglas Road S. Cottage Grove, MN 55016
Market Value Opinion:	\$1,029,000
Fee Owner of Record:	Martha J. And James R. Ross
Tax Parcel I.D No.:	22-027-21-34-0002
Date of Valuation:	January 23, 2025
Date of Report:	February 21, 2025
Property Rights Appraised:	Fee simple interest
Property Data:	
Property Type	Single-Family Home
Gross Bldg. Area (per county records)	2,026 SF – Above-grade living area <u>588</u> SF – Partial unfinished basement 2,614 SF – Total Gross Bldg. Area
Year Built (per county records)	1901
Condition	Average for age
Land Area	156,529 square feet or 3.59 acres
Zoning	R-3, Single-Family Residential
2040 Comp. Plan Land Use Guiding	Commercial
Highest and Best Use:	
As Vacant	Commercial development
As Improved	Demolish existing improvements and redevelop with commercial use
Value Indications	
Cost Approach	Not Applied
Sales Comparison Approach	\$1,029,000
Income Approach	Not Applied
Appraiser:	Paul J. Gleason, MAI



Bird's Eye Aerial Photo of Subject Property – Looking North

SUBJECT PROPERTY PHOTOS – TAKEN 1/23/2025



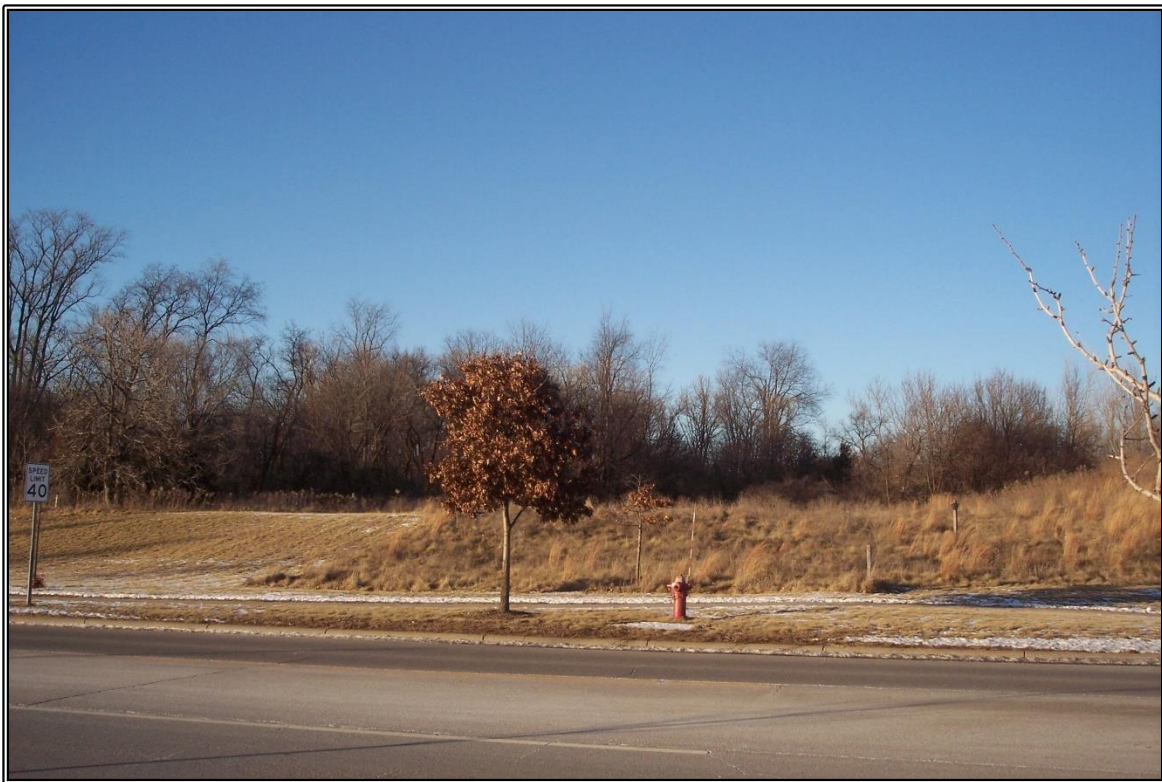
Looking north at house and driveway from across East Point Douglas Rd. S.



Looking NE at SW part of property, from across East Point Douglas Rd. S.



Street view to E. on East Point Douglas Rd. S.: Subject property is to left of road



Northerly view, from East Point Douglas Rd. S., at eastern edge of property



Street view to W. on East Point Douglas Rd. S.: Subject property is to right of road



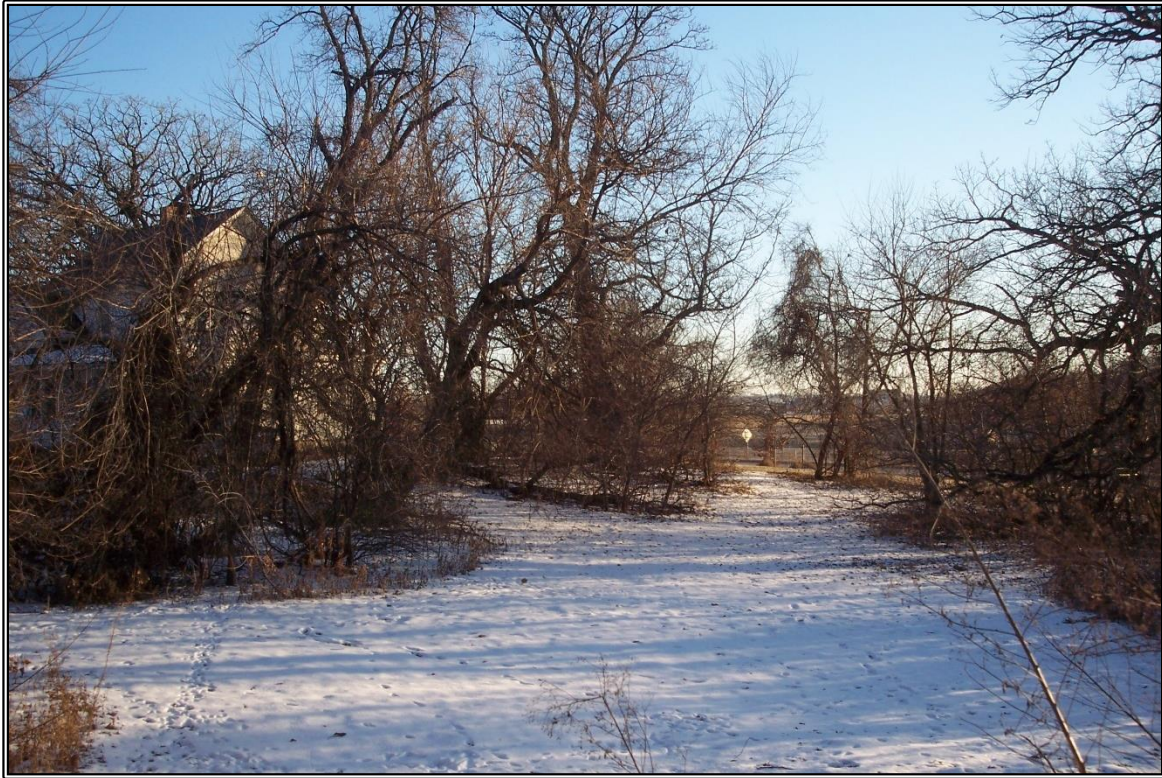
Looking NW at western part of subject property fronting East Point Douglas Rd. S.



Southerly view from front yard of property at traffic on East Point Douglas Rd. S.
in foreground and Highway 61 in background



Looking NE, from subject property driveway, at NE part of property



Looking south at yard area west of house on property



Looking NE at front (south) and west sides of house on property



Looking SW at rear and east sides of house on property



Northerly view of old pump house (no longer in use) located about 30' NE of house



Westerly view of metal storage shed on concrete slab located about 20' NW of house

PROPERTY IDENTIFICATION

The subject of this appraisal is a single-family home on 3.59 acres of land located at 9430 East Point Douglas Rd. S. in the City of Cottage Grove, Washinton County, Minnesota. The county tax parcel identification number for the property is 22-027-21-34-0002.

LEGAL DESCRIPTION

The following lengthy but abbreviated subject property legal description was obtained from the Washington County public property information website:

PT OF SE1/4-SW1/4 BEG AT INTER OF E LINE WITH THE MIDDLE LINE OF THE ST PAUL & PT DOUGLAS RD BEING 9.50 CHNS N FROM THE SE COR THENCE N 61DEG.10'W ALONG THE MIDDLE LINE OF SD RD 8.31 CHNS THENCE N PAR TO E LINE 4.86 CHNS THENCE E 7.33 CHNS TO E LINE THENCE S 8.90 CHAINS TO BEGINNING -

EXCEPT:SE1/4- SW1/4 OF SECTION 22 TOWNSHIP 27 RANGE21-BEING A STRIP OF LAND 50 FEET IN WIDTH - EXCEPT PRESENT HIGHWAY RIGHT OF WAY BETWEEN ENGINEER STATION 496 68 APPROXIMATELY AND 496-00 ACROSS 5 ACRES PART SE1/4-SW1/4 LYING NORTHERLY OF AND ADJAC- ENT TO FOLLOWING DESCRIBED CENTERLINE COMMENCE AT NORTHWEST CORNER OF SW1/4 THENCE RUN ON A BEARING SOUTH 00 DEGREES 29 MINUTES WEST ALONG WEST LINE OF SECTION 22 363 FEET TO CENTERLINE OF OLD TRUNK HIGHWAY 61 THENCE RUN ALONG CENTERLINE OF OLD TRUNK HIGHWAY 61 ON A BEARING SOUTH 57 DEGREES 47MINUTES EAST 1034.14 FEET THENCE DEFLECT TO THE LEFT ON 00 DEGREE 30 MINUTES CURVE DELTA ANGLE 00 DEGREES 45 MINUTES FOR 300 FEET THENCE RUN ON TANGENT TO SAID CURVE ALONG CENTERLINE OF OLD TRUNK HIGHWAY 61 ON A BEARING SOUTH 58 DEGREES 32 MINUTES EAST 1305.41 FEET TO A POINT-SAID POINT BEING ENGINEER STATION P.T. 497 56.11-P.O.T. 494-58.69 THENCE DEFLECT TO THE LEFT FROM THE CENTERLINE OF OLD TRUNK HIGHWAY NUMBER 61 ON A 10 DEGREE 00 MINUTE CURVE DELTA ANGLE 47 DEGREES 00 MINUTE 470 FEET THENCE RUN ON TANGENT TO SAID CURVE 161.24 FEET ON A BEARING OF NORTH 84 DEGREES 28 MINUTES EAST THENCE DEFLECT TO THE RIGHT ON A 12 DEGREE 00 MINUTE CURVE DELTA ANGLE 47 DEGREES 00 MINUTES 391.66 FEET THENCE RUN ON A TANGENT TO SAID CURVE 163.41 FEET ON A BEARING OF SOUTH 58 DEGREES 32 MINUTES EAST THENCE DEFLECT TO RIGHT ON A 12 DEGREE 00 MINUTES CURVE DELTA ANGLE 50 DEGREES 08 MINUTES 50 SECONDS 417.89 FEET THENCE RUN ON TANGENT TO SAID CURVE 120.29 FEET ON A BEARING SOUTH 08 DEGREES 23 MINUTES 10 SECONDS EAST THENCE DEFLECT TO THE LEFT TO CENTERLINE OF OLD TRUNK HIGHWAY 61 ON A 10 DEGREE 00 MINUTE CURVE DELTA ANGLE 48 DEGREES 31 MINUTES 50 SECONDS 485.30 FEET TO A POINT SAID POINT BEING ENGINEERS STATION P.C. 475-46.32 THENCE RUN ON A TANGENT TO SAID CURVE ALONG CENTERLINE OF OLD HIGHWAY 61 146.32 FEET AND THERE TERMINATING-SAID POINT OF THERE BEING ENGINEERS STATION 474-00.00 AND BEING 2845.30 FEET SOUTH AND 3981.98 FEET EAST OF SAID NORTHWEST CORNER OF SW1/4 SECTION 22 ALSO A STRIP OF LAND 60 FEET WIDE

EXCEPT THE PRESENT HIGHWAY RIGHT OF WAY BETWEEN ENGINEERS STATION 496-00 AND 493-38 APPROXIMATELY ACROSS THE SAID 5 ACRE PART LYING NORTHERLY OF AND ADJACENT TO ABOVE DESCRIBED CENTERLINE AND ALSO THAT PART OF SAID 5 ACRES LYING SOUTHERLY OF ABOVE DESCRIBED C/L EXC PRESENT HIGHWAY R/W SECTION 22 TOWNSHIP 027 RANGE 021

PURPOSE/INTENT OF THE APPRAISAL/INTENDED USER

The purpose of the appraisal is to provide an opinion of the “as is” market value of the subject property. The intended use of the appraisal is for assisting the City of Cottage Grove in the potential acquisition of the subject property to facilitate redevelopment of the property. The intended users are officials of the City of Cottage Grove. The client of this assignment is the City of Cottage Grove.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate. The property is appraised subject to usual easements for streets and utilities, if any. The source of the following definition of fee simple estate is the Dictionary of Real Estate Appraisal, 7th edition, page 73, published in 2022 by the Appraisal Institute:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

DATES OF INSPECTION AND VALUATION

The effective date of this appraisal is January 23, 2025. On this date, the property was viewed by Paul J. Gleason, MAI in the presence of Martha Ross, the property owner.

SCOPE OF WORK

An interior and exterior inspection of the subject property and an inspection of the surrounding neighborhood area were made by the appraiser. An analysis of the highest and best use of the property was completed, based on the property attributes and market factors. Consideration was given to each of the three primary valuation approaches – the Cost Approach, the Sales Comparison Approach and the Income Approach – for developing value indications for the subject property. The applicable approaches were processed and their value indications were reconciled into a final opinion of market value for the property.

It has been concluded that the highest and best use of the subject property is for demolition of the existing single-family house and supporting improvements, and redevelopment of the land with a new commercial use. Consequently, the existing improvements contribute no value to the property beyond the value of the land only, and actually reduce the value of the property to the extent of their cost of removal.

Of the three primary approaches to value (Cost, Sales Comparison and Income), the Sales Comparison Approach was applied for valuing the subject property land component, as though vacant, with necessary infrastructure in place to support development with a commercial use. Subtracted from this opinion of the land value is the estimated cost to demolish and remove or abandon the existing improvements in order to yield a vacant site ready for redevelopment. Also subtracted is the subject property's cost share liability for construction of a new public street along its east edge, which is necessary for redevelopment of the land to its highest and best use. And finally, a deferred special assessment against the property for street improvements completed in 2017 is deducted from this value conclusion. The net amount, after the above-described deductions, reflects the "as is" value of the subject property.

The Cost Approach and Income Approach valuation methods, which typically only apply to properties containing improvements with contributory value, were considered but not applied given the highest and best of the subject property.

This appraisal is presented in an **Appraisal Report format** under the requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The property description, analysis and valuation process are presented using a brief narrative format. The level of discussion in this report can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraisers' opinions and conclusions. Additional notes, data, analyses and other documentation supporting the appraisal are retained in the office appraisal file.

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

An Extraordinary Assumption is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2024 Edition ©The Appraisal Foundation, Page 4, as:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

A Hypothetical Condition is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2024 Edition ©The Appraisal Foundation, Page 4, as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comments: No extraordinary assumptions or hypothetical conditions apply in this appraisal. See Contingent and Limiting Conditions, which are standard assumptions that apply to the appraisal, later in this report.

MARKET VALUE DEFINITION

The term market value is defined in The Dictionary of Real Estate Appraisal, 7th edition, © 2022, published by the Appraisal Institute, page 118, which the appraiser adopts and applies in the completion of this appraisal report, as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

CONTINGENT AND LIMITING CONDITIONS

This appraisal report is subject to the following Limiting Conditions and Assumptions:

1. The legal description contained herein is assumed to be correct.
2. The appraisers assume no responsibility for matters legal in nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
3. No survey has been prepared of the property by the appraisers and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
4. Information furnished by others is assumed to be reliable. However, the appraisers assume no responsibility for its accuracy.
5. In cases where no soil tests have been submitted, the appraisers have assumed a good subsoil condition, subject to visual observations noted in the report.
6. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions or for engineering that might be required to discover such factors.
7. The appraisers are not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made.
8. The distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the property.
9. The Bylaws and Regulations of the professional appraisal organizations with which the appraisers are affiliated govern disclosure of the contents of the appraisal report.
10. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and, in any event, only with proper written qualifications and only in its entirety.

11. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers' firm or professional organization, of which the appraisers are a member, be identified without the written consent of the appraisers.
12. The value conclusion assumes all taxes and special assessments are paid in full.

Environmental Disclaimer: The value estimated in this report is based on the assumption that the property is not adversely affected by the existence of hazardous substances or detrimental environmental conditions. A routine inspection of the property did not reveal or indicate any such conditions. In that the appraiser is not qualified in this field of expertise, the client is encouraged to retain an expert in such investigations if so desired.

COMPETENCY PROVISION

Paul J. Gleason, MAI has been a full-time professional real estate appraiser since 1992. Provided later in this report is a summary of Mr. Gleason's professional qualifications. The educational training and extensive work experience of the appraiser, who is licensed as a Certified General Real Property Appraiser, enable completion of this appraisal assignment in a professional manner consistent with the intent of the competency provision of the Uniform Standards of Professional Appraisal Practice.

TAXES AND ASSESSMENT DATA

Parcel I.D. #	Land AEMV*	Improvements AEMV*	Total AEMV*	R. E. Taxes	Effective Tax Rate	Specials & Charges	Total Tax & Specials
22-027-21-34-0002	\$193,700	\$178,300	\$372,000	\$4,411.00	1.19%	\$55.00	\$4,466.00
Source: Washington County							
* Assessor's Estimated Market Value - 2023 for payable 2024							
Assessor's Estimated Market Value - 2024 for payable 2025 is \$153,700 land + \$190,100 bldg. = \$343,800 total							

The Specials & Charges amount shown in the table above reflect annual fees for Southwest Watershed District Stormwater Utility (\$52.00) and County Environmental Charge PHE Dept. (\$3.00).

Additionally, the property is subject to a deferred special assessment in the amount of \$30,000 for improvements to the street on which it fronts and which currently provides access, East Point Douglas Road S. The street improvements were made in 2017. According to the client, if the deferred assessment is paid off as part of a sale, it is not subject to the payment of accrued interest. It is noted that the "as is" market value in this appraisal reflects that a buyer of the property "as is" would assume the liability of having to pay off this deferred assessment amount before developing the property to its highest and best use.

HISTORY OF OWNERSHIP

The fee owners of record, according to the Washington County Property Information website, are Martha A. and James R. Ross, who owned the subject property for many years. It is the appraiser's understanding that James. R. Ross is deceased. There are no known recorded transfers of the property within at least three years prior to the date of valuation. To the best knowledge of the appraiser, there are no current listings, pending sales or purchase options pertaining to the subject property.

ZONING

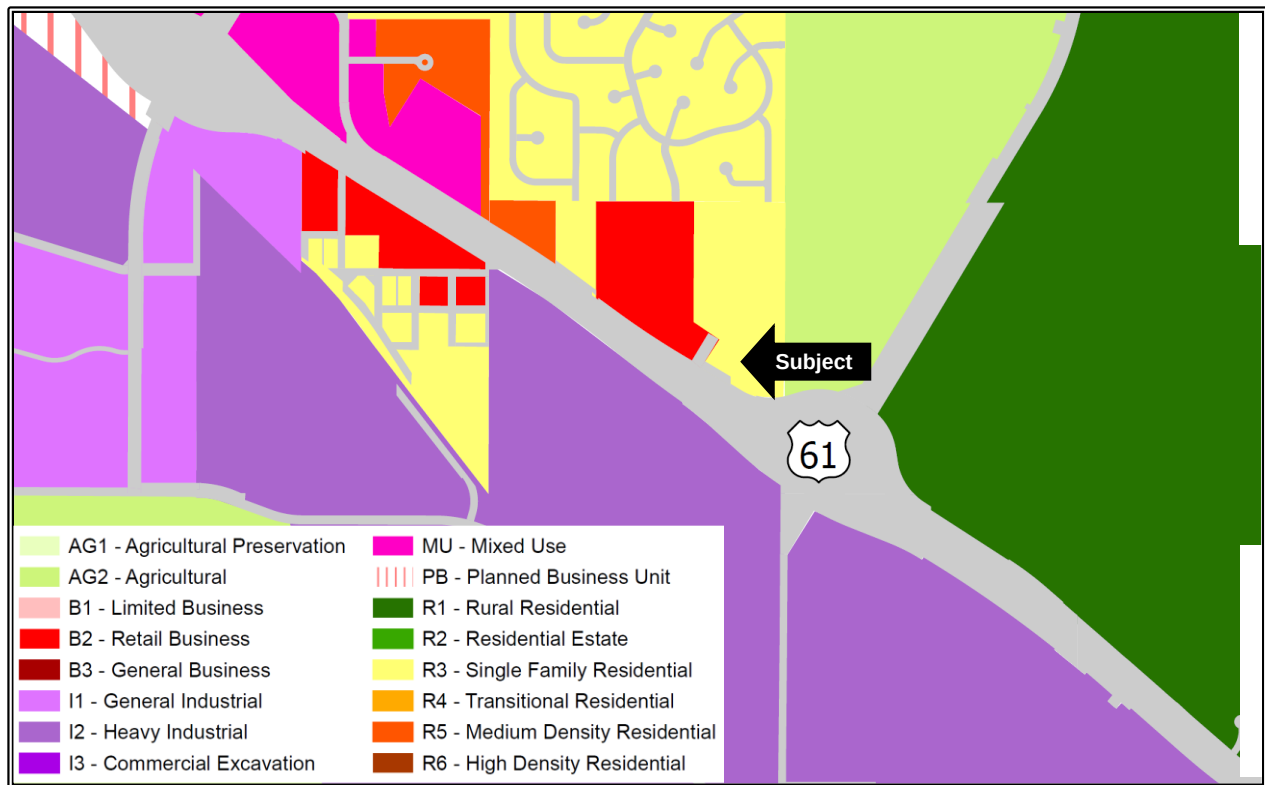
The subject property is zoned **R-3, Single-Family Residential District**, the intent of which is "to preserve the character of existing single-family neighborhoods and provide for additional development of single-family detached residential neighborhoods."

Permitted R-3 uses include single-family detached dwellings, essential services, public parks, small wireless facilities in public right of way, state licensed residential facilities serving six or fewer persons and licensed day care facility serving 12 or fewer persons, among others.

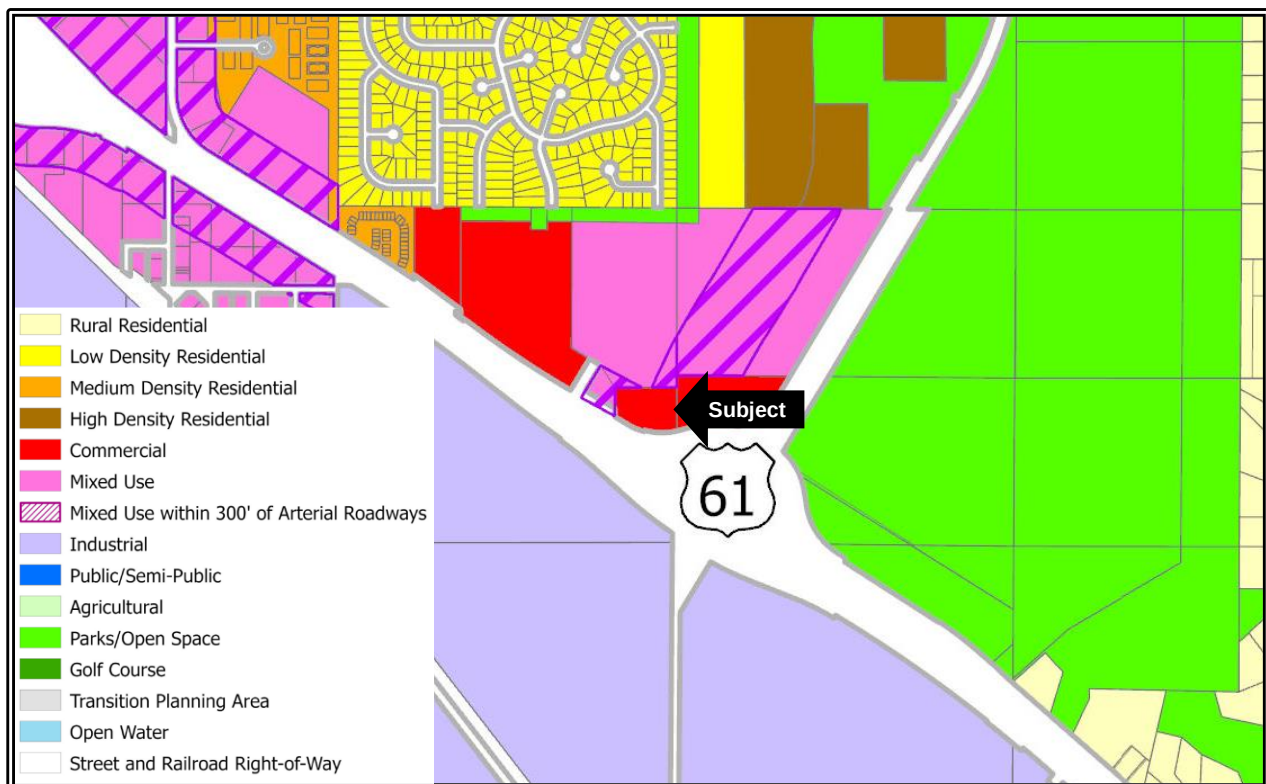
Conditional R-3 uses include telecommunication towers, licensed home-based daycare facilities serving 13 to 16 persons, educational facilities, places of worship and religious institutions, cemeteries, golf courses and country clubs, among others.

R-3 lot requirements include the following minimums: Lot width, 65 feet; lot depth, 130 feet; building setbacks of 25 feet for front, 7.5 feet for side (5 feet for garage, 20 feet for corner side yard) and 35 feet for rear; 40% maximum impervious surface; and 35-foot maximum structure height.

Land Use Guiding: The Land Use Plan within the City of Cottage Grove 2040 Comprehensive Plan designates the subject property for Commercial use, including retail, service and office uses.



Zoning Map



2040 Comprehensive Plan Future Land Use Map

COMMUNITY/AREA DESCRIPTION

Community: The City of Cottage Grove, Minnesota is located in the southeastern portion of Washington County approximately 12 miles southeast of downtown St. Paul. Cottage Grove is bordered by rapidly developing Woodbury to the north, fully developed Newport and St. Paul Park on the west, sparsely developed Grey Cloud Island Township to the southwest and Denmark Township to the east, and the Mississippi River to the south. The U.S. Census Bureau estimates Cottage Grove's 2020 population at 39,009 which reflects a 12.4% increase over the 2010 Census figure of 34,715. The estimated 2023 population is 41,027 which reflects a 5.2% increase over the 2020 Census figure. The city has a substantial amount of land available for development and the population is anticipated to grow at a relatively steady rate for many years.

The main highway artery passing through Cottage Grove is U.S. Highway 10/61 (also referred to as Highway 61) which provides connections to other parts of the Twin Cities as well as major freeways. Highway 61, which interchanges with I-494 just northwest of Cottage Grove in Newport, was in recent years rebuilt to a freeway-style, restricted-access design from the interstate to the south and continues with this design through Cottage Grove. The bridge carrying I-494 traffic across the Mississippi River between Newport and South St. Paul was widened and rebuilt in 2010. These improvements have exerted a positive impact on access to Cottage Grove and its attractiveness for all types of development.

Cottage Grove has a sizable, developing industrial park and two major retail areas, both at Highway 61 interchanges. Many areas along Highway 61 are developed in a highway commercial fashion. The next major growth area for the city is the East Ravine area near the eastern city limits, which is a master-planned area of 4,000 acres intended to be developed over the next 15 to 20 years with a mix of residential and commercial uses. Additionally, various parts of the community are undergoing infill redevelopment on a spot, ad-hoc basis to more intensive economic uses.

Area: The subject property is located in the south central part of Cottage Grove, within the northwest quadrant of the Highway 61/Keats Avenue (County Rd. 19) interchange. The property is in the southern part of the East Ravine area, a master planned sector in Cottage Grove undergoing gradual development which extends along and east of Keats Avenue northward to somewhat north of 70th Street, then extends westward to approximately Jamaica Avenue. This master planned area, which generally follows or flanks a wooded ravine feature that drains southward into the Mississippi River, is designated for a mix of uses including low, medium and high density residential, commercial, public/institutional and park/open space.

The immediate surroundings of the subject property are known as the Cottage View Area located north and west of the Highway 61/Keats Avenue interchange. The Cottage View Area once contained the Cottage View Drive-In movie theater and also contains a number of relatively large undeveloped/agricultural parcels together with a Walmart Supercenter store which was built in 2014. The currently undeveloped or underdeveloped portion of the Cottage View Area, including the subject property, lying east of Walmart, comprises an area of about 74 acres.

The subject property is located on the north side of East Point Douglas Road, a north frontage road of adjoining Highway 61, at a point somewhat less than 0.20 acres northwest of the Highway 61/Keats Avenue interchange. The property is surrounded to the north, northwest and east by currently vacant, undeveloped land, a small portion of which comprises crop land. Significant portions of the land adjacent east and northeast of the subject are currently being mined for gravel. Adjacent west is a city-owned storm water pond, followed further west by the east entrance road to Wamart. Beyond Walmart further northwest, on the northeast side of East Point Douglas Road, are the Cottage Grove VFW, a townhome development, a Menards home improvement store and other major commercial development surrounding the interchange of Highway 61 and Jamaica Avenue.

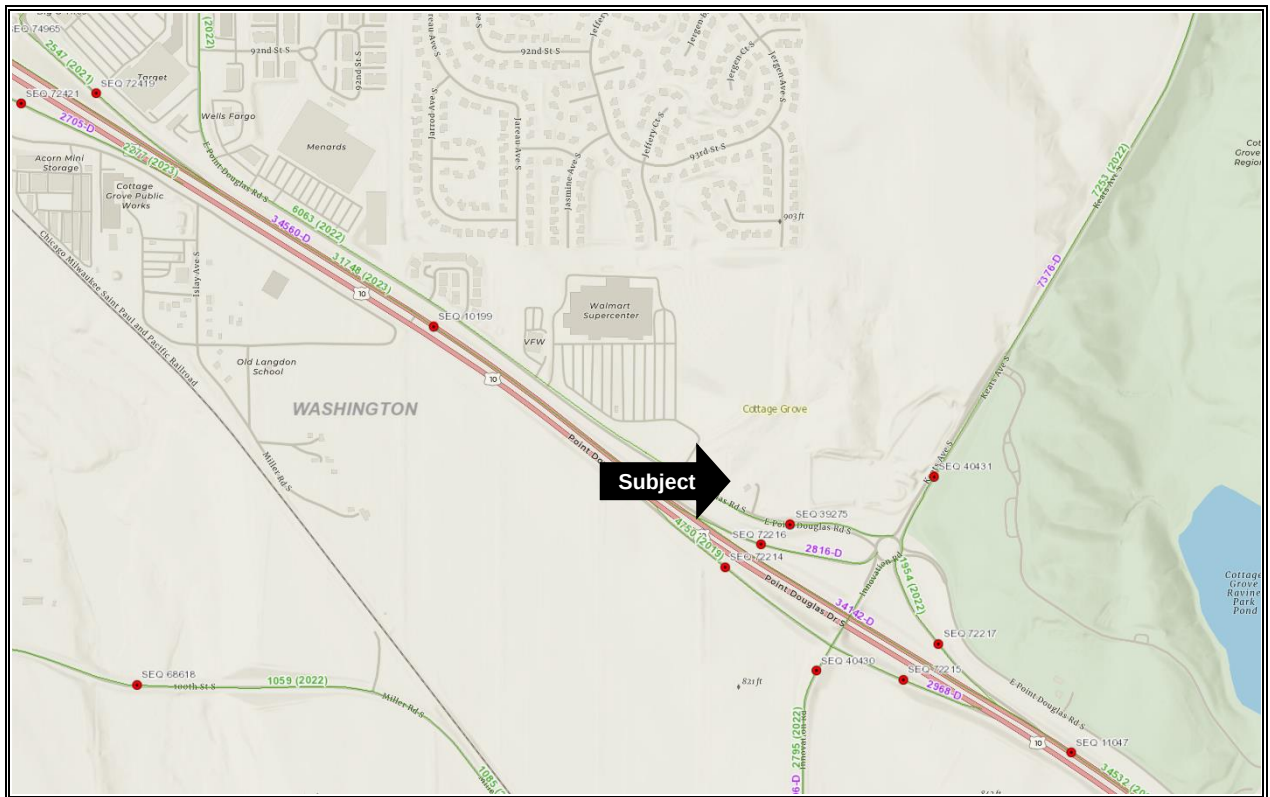
The area to the southeast of the subject property, on the north side of Highway 61, east of its interchange with Keats Avenue, comprises a large number of heavily wooded, steeply sloping primarily undeveloped acres containing Cottage Grove Ravine Regional Park, which is owned by Washington County. To the south across Highway 61 are large agricultural field parcels owned by 3M which essentially serve as buffer land for the substantial 3M manufacturing facility located further south, along the north shores of the Mississippi River.



Community Map



Area Map



Mn/DOT Traffic Volume Map

SITE DESCRIPTION

Land Area: 156,529 square feet or 3.59 acres – According to county records, subject to survey; net of road right of way

Shape: Moderately irregular; rectangular on three sides, with curvilinear boundary along East Point Douglas Road S. frontage

Topography: Moderately upward sloping from southwest to northeast. Elevation rises about 20 feet from property southwest corner to northeast corner, resulting in an average slope of about 4%.

**Vegetation/
Ground Cover:** Mix of lawn and landscaping around house and in front yard, together with natural vegetation toward side and rear property edges. About half of parcel is heavily wooded with mature deciduous trees of varying heights and trunk widths.

Access:

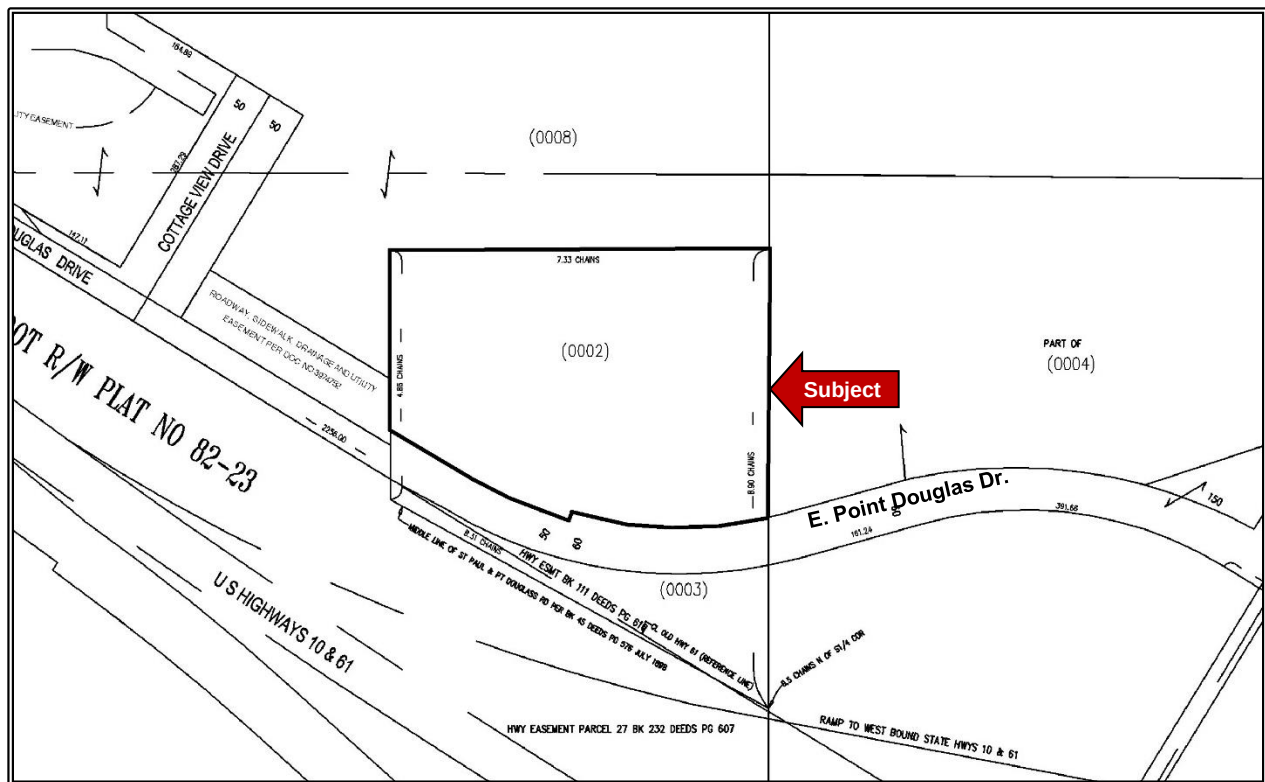
Street Frontage	425' on East Point Douglas Rd. S. (approx.)
Street Type/Surface	2-lane minor arterial roadway with bituminous paved lanes; expands to three-lane design just west of property.
Corner/Interior	Interior lot
Curb/Gutter	Concrete curb/gutter
Sidewalk	Concrete sidewalk on north side of fronting street and bituminous paved path on south side
Other	Site currently has one access opening along East Point Douglas Rd. connected to a 12-foot-wide residential driveway extending north into property.

East Point Douglas Rd. is the north frontage road of Highway 61, adjacent south. An interchange of Highway 61 with Keats Avenue (County Rd. 19) is located in close proximity to the subject property, less than 0.2 miles southeast. Another Highway 61 interchange, with Jamaica Ave., can be accessed by traveling from the site northwest along the frontage road and west along Jamaica Ave. a total distance of about 1.35 miles.

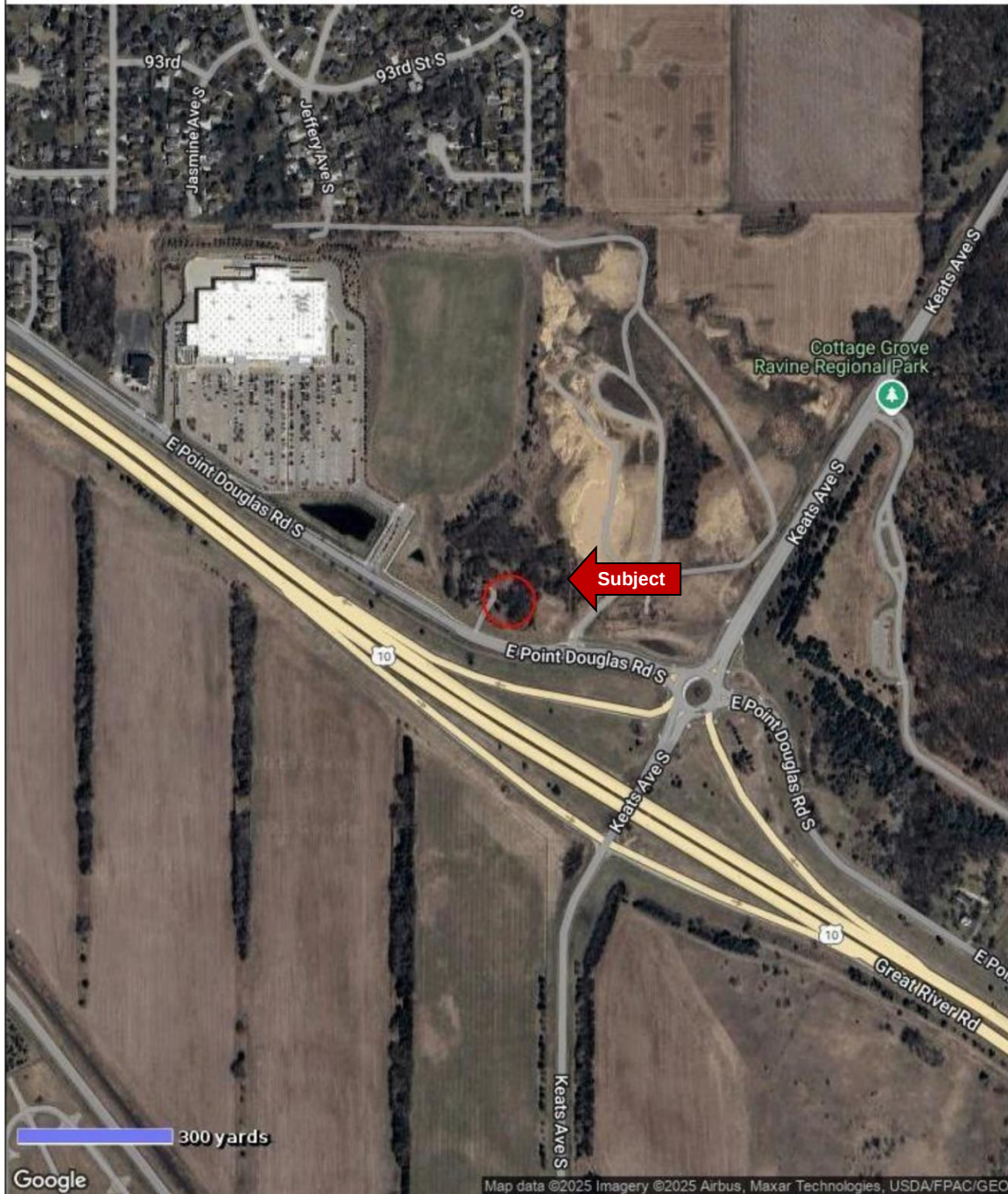
Visibility:	Good, at-grade visibility from Highway 61, a four-lane limited-access principal arterial roadway which, as previously shown on a MnDOT Traffic Volume Map, carries approximately 32,000 vehicles daily, on average, in this location. The site enjoys additional visibility from East Point Douglas Rd., a minor arterial which carries about 6,100 vehicles daily on average in this location.
Utilities:	All urban service utilities, including municipal water and sanitary sewer, are immediately available. Public water and sanitary sewer stubs are located along the subject property East Point Douglas Road frontage. Currently, the subject property is connected to natural gas and electricity, but is not connected to public water and sanitary sewer; the site is served by a private on-site well and septic system.
Soils/ Environmental:	No soil test borings have been submitted which would indicate subsoil composition. The site is appraised assuming adequate subsoil conditions to support normal development. Also, it is assumed that there are no known or suspected subsoil contaminants within the subject site which would adversely affect its value; no such items are apparent.
Wetlands/ Flood Zone:	Review of pertinent mapping of the subject property and its surrounding immediate area indicate that there are no wetlands located on the property, and that the property is not in an area identified as having significant flood risk.
Easements/ Encroachments:	Typical utility easements are assumed to exist along parts or all of the property edges. No adverse easements or encroachments are apparent.



County GIS Aerial Photo Parcel Map with 2' Elevation Contours



Half-Section Map



MAP DATA

FEMA Special Flood Hazard Area: No
 Map Number: 27163C0416E
 Zone: X
 Map Date: February 03, 2010
 FIPS: 27163

MAP LEGEND

- | | |
|--------------------------------------|-----------------|
| Areas inundated by 500-year flooding | Protected Areas |
| Areas inundated by 100-year flooding | Floodway |
| Velocity Hazard | Subject Area |

Powered by CoreLogic®

Flood Map

IMPROVEMENTS DESCRIPTION

House: The subject property is improved with a two-story wood-framed house which, according to county records, was built in 1901, has an above-grade area of 2,026 square feet, and also contains a partial unfinished basement area of 588 square feet. The house contains three bedrooms and two baths, as well as a living room, dining room and kitchen. There are three-season porches on the south side of the house, adjoining the living room, and on the north side, adjoining the kitchen.

Construction features include stucco exterior walls, gable shingle-covered roof and concrete block foundation. The house has hot water heat served by a boiler located in the basement.

Outbuildings: Northeast of the house is an old pump house of wood framing construction with brick exterior walls; dimensions are 10 feet by 8 feet.

Northwest of the house is a storage shed of painted metal construction set upon a poured concrete slab; dimensions are 10 feet by 8 feet.

Site Improvements: Lawn and typical landscaping are present around the area of the house. Lawn also extends significant distances away from the house to the road and within the interior yard areas of the property. A gravel driveway extends between East Point Douglas Road and a parking area, also with gravel surfacing, located north and northeast of the house.

The home is served by a private on-site well and septic system. The well is located about 20 feet north of the house north wall and 10 feet east of the driveway. The owner indicated that this well was installed many years ago after the previous well no longer functioned sufficiently and needed replacement. The previous well, which has been capped as indicated by a pipe protruding from the ground which is filled in with concrete, is located about 10 feet east of the northeast corner of the house.

The septic system underground storage tank appears to be located about 20 feet west of the house northwest corner, as indicated by a plastic pipe protruding from the ground in this area, reflecting the tank cleanout, according to the property owner. Although the property owner was not certain of other details of the septic system, it is assumed that an underground drain field is connected to the tank and extends in a direction away from the tank and house.

HIGHEST AND BEST USE ANALYSIS

The term highest and best use is defined in The Dictionary of Real Estate Appraisal, seventh edition, published in 2022 by the Appraisal Institute, as:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and Best Use, as Vacant: The subject property land consists of a moderately irregular shaped parcel with a total area of 156,529 square feet or 3.59 acres, according to county records, subject to survey. The subject land parcel, located in south central Cottage Grove, has topography which is moderately upward sloping in a southwest to northeast direction. About half of the site contains a dense cover of mature trees of varying height and trunk width.

The subject property has good, direct visibility to Highway 61 just southwest beyond East Point Douglas Road, the frontage road the property fronts. The highway carries about 32,000 vehicles daily on average in this location, and the frontage road carries another roughly 6,100 vehicles daily on average in this area. Access to Highway 61 is available very close by, at an interchange with Keats Avenue (County Road 19) less than 0.20 miles southeast.

Zoning/Land Use Guiding – The subject land is currently zoned R-3, Single Family Residential, which essentially reflects the existing use on the property as a single-family home. However, the land is guided in the city land use plan for Commercial use, a reflection of the property’s location in a high-visibility area with ready access to a major highway, as well as the fact that the area receives commercial development momentum support by the sizable Walmart SuperCenter located just a few hundred feet to the northwest. It is a virtual certainty that upon development, the subject property would easily receive approval for rezoning to support a commercial use.

Availability of Urban Service Utilities – Although the subject property is not currently connected to urban service utilities, they are immediately available to serve development of the property, including public water and sanitary sewer, which are located within the property’s frontage on East Point Douglas Road.

Location Characteristics/Planned Development – The subject property is located in the path of gradual urban development extending in a southeast direction within the City of Cottage Grove. Most of the development is taking place along the northeast side of Highway 61 where the subject is located, whereas the area southwest of the highway is still predominantly undeveloped in this vicinity, comprising agricultural fields. The area adjoining the closest Highway 61 interchange to the northwest, with Jamaica Avenue, has been developing since the 1990s and now is generally fully developed with commercial uses near the interchange and residential neighborhoods radiating outward into the community.

A major development to the southeast beyond the Highway 61/Jamaica Avenue interchange was the Walmart Supercenter, which was completed in 2014 shortly after the nearby Cottage View Drive-In Theater closed. By that time, utility infrastructure had been extended to the subject property area allowing for urban development, although since the opening of Walmart in 2014 no new projects have yet come online.

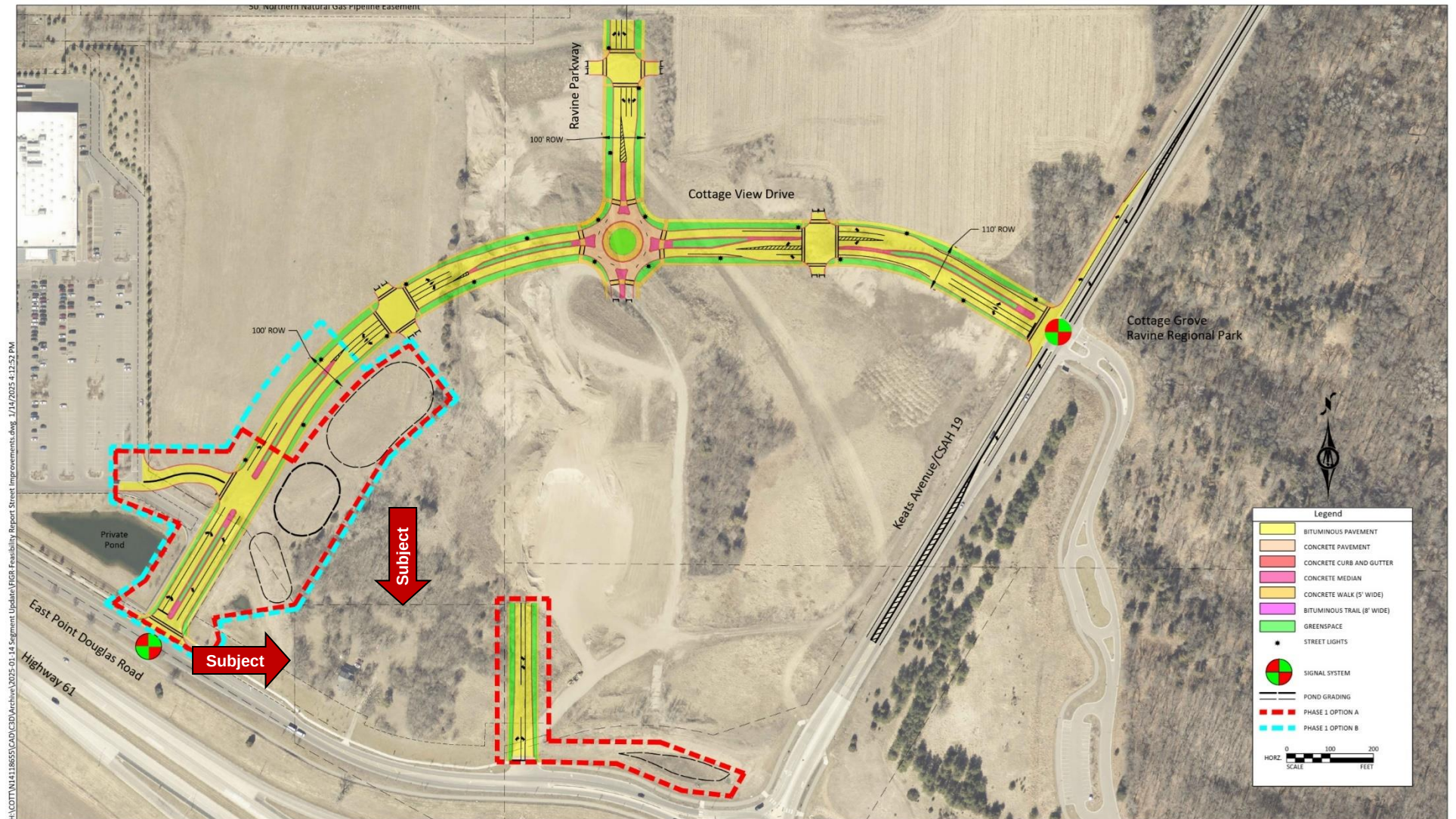
The city has a development option agreement with Lansing, Michigan-based River Caddis Development to complete a development plan for the approximately 74 acres adjacent east of Walmart in the northwest quadrant of Highway 61 and Keats Avenue, which includes the subject property. The master planned potential development thus far sketched out as a “Preliminary Test Fit / Site Concept” plan is envisioned to comprise a mix of retail commercial, medical office/senior living, apartments and townhomes, together with a civic square component.

The retail commercial uses would be located along the Highway 61 frontage road in the vicinity of the subject property. The city has indicated that although the development option agreement is set to expire in the near future and at this point it does not appear River Caddis will be moving forward with this pursuing this development, other developers have shown interest in stepping in and taking over as master developers of the area.

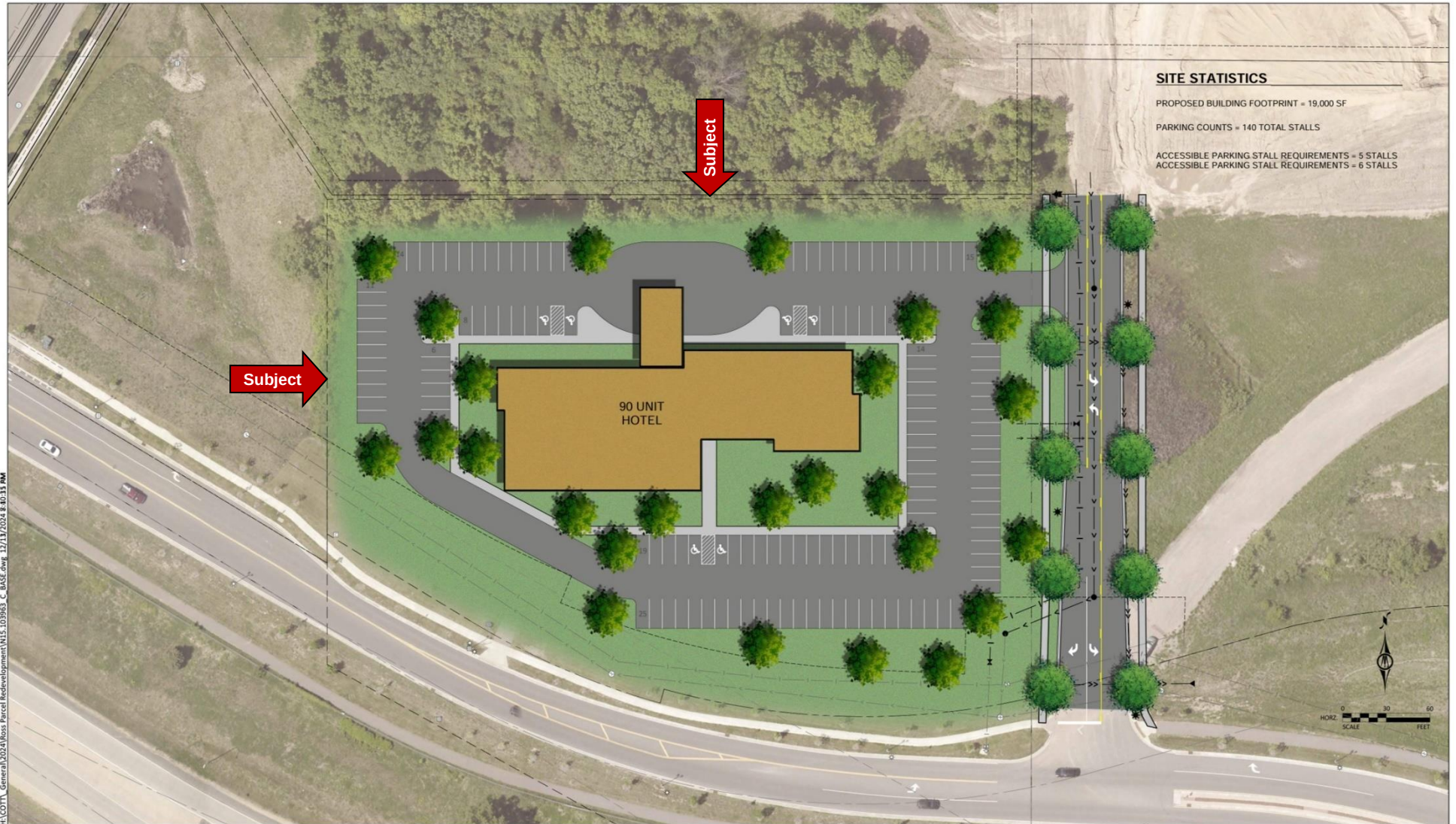
Meanwhile, the city has been pursuing potential development of just the subject property, since it immediately adjoins the Highway 61 frontage road and could be developed with a commercial use with the construction of a relatively modest amount of infrastructure, in the form of an access street extending northward along the subject east boundary. The city is pursuing development of a new hotel within its boundaries, given that a market study indicated there is enough demand to support a new hotel and that existing lodging demand dollars are flowing to other nearby suburbs due to an undersupply of rooms in Cottage Grove. The city has identified the subject property as one of a handful of sites in Cottage Grove that would be a relatively good fit for a new hotel.

See Map Showing Planned Street Improvements to Serve Cottage View Development Area on Page 27, which shows the location of the proposed access street extension from East Point Douglas Road along the subject property east boundary, together with proposed additional street sections that would eventually serve the larger Cottage View Area proposed master planned mixed-use development.

Also see Site Plan Showing Potential Development of Subject Property with Hotel on Page 28.



Map Showing Planned Street Improvements to Serve Cottage View Development Area



Site Plan Showing Potential Development of Subject Property with Hotel

Actions and Cost Outlays Required to Accomplish Development – There are a number of tasks and investments required to bring the subject land to the point at which it is ready for development with a commercial use, which is the use intended for the parcel and for which there appears to be sufficient market demand. A potential buyer evaluating the subject land for purchase and commercial development/use “as is”, in its current state, would consider these necessary tasks and investments and would price the property accordingly.

- Access Street – The subject property would be responsible for part of the cost of extending a street along its east boundary which, according to the city, would be necessary to provide adequate and appropriate access to support a commercial use (accessing the property directly from East Point Douglas Road, a well-traveled minor arterial roadway, would not be an option that would be approved). The street construction would also include the extension of public water and sanitary sewer utilities, which are currently located within East Point Douglas Road near the east end of the subject property frontage on this roadway.

This street also would provide access to the undeveloped parcel located east of the road. Based on information provided by the city, it is concluded that extension of the new access street would be triggered by development activity commencing on the subject property and/or the vacant land adjacent east; and that the city would be willing to initiate construction of such a street to facilitate commercial development on the subject land to the west as well as commercial-guided land adjacent east.

- Payoff of Deferred Special Assessment – The existing \$30,000 deferred special assessment for improvements made to East Point Douglas Road in 2017 would have to be paid off upon commercial development of the land.
- Tree Removal/Mitigation – Development of the subject land for a commercial use likely would require removal of most, if not all, of the numerous mature trees on the property. An extraordinary cost would be required for cutting and grubbing the trees as part of the site preparation process, relative to a site with no tree removal required. An additional extraordinary cost would be required to provide mitigation for a portion of the trees removed, in the form of replanting trees and/or cash payment in accordance with the city tree mitigation ordinance.

The City of Cottage Grove has provided a cost estimate of \$67,500 for required tree mitigation associated with developing the subject land with a commercial use. This appears to be reasonable in light of additional information the city provided regarding another commercial (multifamily apartment building) project on a generally similarly wooded site that was recently completed in Cottage Grove. That site, which is about 6.8 acres in size, incurred a cost of about \$92,000 for tree mitigation, according to the city. Given the subject site size of 3.59 acres, which is 53% of the size of the 6.8-acre site referenced, the \$67,500 estimate appears to be in line with what a developer would expect to incur, more or less, for tree mitigation cost, recognizing that an additional cost outlay also would be required to physically remove the existing trees.

- Platting – The subject property current reflects unplatted land. Developing the land with a commercial use would require that the land be final platted. Various cost outlays would be required to achieve this important milestone, which would culminate in the land becoming a final platted lot before permits would be obtained for construction of a building. The costs necessary to reach final plat status include surveying and engineering costs, city application and approval fees, and area charges which are per-acre fees paid which allow the site to tap into the city's existing water, sanitary sewer and storm sewer infrastructure system.

The largest of the above-referenced cost outlays required to bring the land to final plat status would be area charges, which according to the city currently total \$111,899 combined (including water, sanitary sewer and storm sewer). Based on a site area of 3.59 acres, the area charges to be paid upon final plat approval and recording would reflect \$31,170 per acre or \$0.72 per square foot of land.

Market Conditions/Demand: Cottage Grove has shown a pattern of steady, consistent population growth, which has fueled a healthy level of new housing construction that can be expected to continue into the foreseeable future. The growth of households in the city bolster demand for many types of commercial development, including retail, restaurant, service commercial, etc. Current market conditions indicate there would be sufficient demand for the subject land, if it were made available for new development. The property is located in the path of outward development in Cottage Grove, making it an attractive prospect for additional development.

Conclusion: After considering current market conditions, the physical aspects of the subject site and general apparent demand, among other pertinent factors, it is my opinion that the highest and best use of the subject site, as vacant, is for commercial development.

**Highest and Best Use of Land, As Vacant:
Commercial Development**

Highest and Best Use, as Improved: The subject land is currently improved with a single-family residence, including a two-story house with a partial basement, two small outbuildings (pump house and storage shed), and private well and septic system. The value of the property, as improved and based on continued use as a single-family residence, is far less than the value associated with redevelopment with a commercial use. As such, a typical buyer would demolish the existing improvements and redevelop the land rather than continue the existing residential use.

Since the buying market would call for demolition of the house and supporting site improvements, the improvements do not contribute to the overall property value, beyond that of the land alone; and in fact they detract from the value of the land, as vacant, to the extent of the cost of their removal.

Conclusion: Based on the foregoing discussion, it is my opinion that the highest and best use of the subject property, as improved, is to demolish the existing improvements and redevelop the land with a commercial use.

**Highest and Best Use of Property, As Improved:
Demolish Existing Improvements and Redevelop with Commercial Use**

THE APPRAISAL PROCESS

There are three basic valuation methodologies that may be used in estimating the market value of real estate: the Cost Approach, the Sales Comparison Approach and the Income Approach. These three valuation approaches analyze data from the market to develop independent value indications for the subject property.

The **Cost Approach** is based on the premise that an informed buyer will pay no more for a property than the cost of constructing a comparable property with similar utility. In this analysis, the cost to reproduce or replace the improvements is calculated, which is reduced by the estimated accrued depreciation that has occurred. Accrued depreciation includes physical deterioration, functional obsolescence, and external obsolescence. To the depreciated value of the improvements is then added the site value, which is estimated through the direct comparison with other vacant sites that have sold in the area in recent years, with adjustments made for dissimilarities. The Cost Approach is particularly applicable and reliable when the property being appraised is relatively new with little accrued depreciation, or is of a highly specialized design and/or utility.

The **Sales Comparison Approach** has as its premise a comparison of the subject property with others of similar design, utility and features that have sold in the recent past. To indicate a value for the property, adjustments are made to the comparables for dissimilarities with the subject property. This approach is based on the proposition that an informed buyer would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is most applicable and reliable when an active market provides sufficient sales of comparable properties for analysis.

The **Income Approach** develops a value estimate for a property predicated on a detailed analysis of its earnings potential and the rate of return on an investment demanded by prudent investors in the marketplace. This analysis converts anticipated benefits and income to be derived from ownership of a property into a value estimate. Detailed income and expense analysis results in a net operating income that the subject is able to generate, which is then converted to a value indication for the property through the capitalization process.

The final step of the appraisal process involves the appraiser analyzing the strengths and weaknesses of each of the three approaches utilized, with the value indications reconciled and correlated to arrive at a final value estimate for the property.

Valuation Approaches Applied in This Appraisal

The Sales Comparison Approach is applied in the valuation of the subject property land component. As previously discussed, the Cost Approach and Income Approach typically do not apply to the valuation of properties containing no improvements with contributory value; and the highest and best use of the subject property is for demolishing the existing improvements and redeveloping the land. Consequently, these two valuation approaches are not applicable in valuing the subject property.

Comments on Valuation Methodology

First, the subject land is valued assuming it is a vacant parcel, with street infrastructure in place necessary to provide appropriate access for commercial redevelopment, and which is free of outstanding special assessment encumbrances. This is the scenario reflected in the data pertaining to comparable sales of commercial land parcels available for analysis.

Second, deductions are made from this value to reflect the value of the property “as is”, containing improvements that need to be removed, subject to a required cost contribution for a street to be constructed along its east edge to provide access for a commercial use, and subject to the payoff of a deferred special assessment.

LAND VALUE – AS VACANT WITH ACCESS IN PLACE, ASSESSMENTS PAID

SALES COMPARISON APPROACH

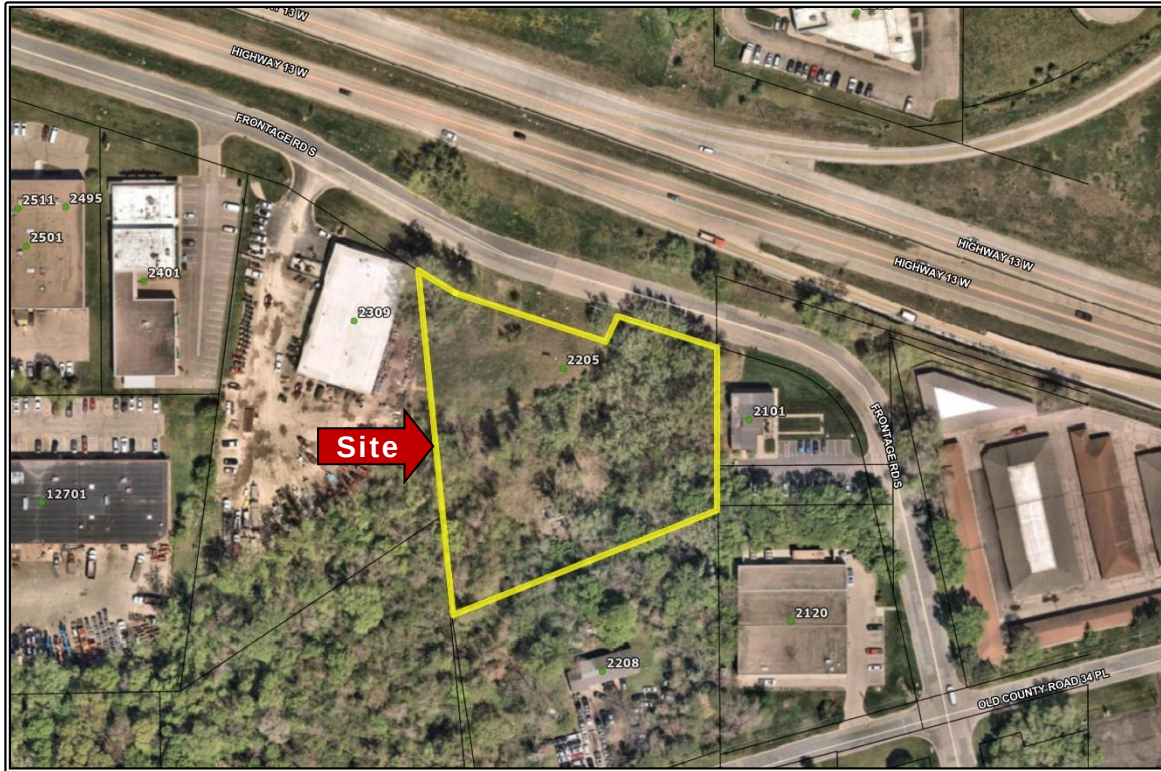
Comparable land sales are identified and analyzed for the purpose of developing an opinion of the market value of the subject land, as vacant, with necessary access in place and outstanding special assessments paid. The subject property land parcel is compared to sales of other reasonably similar land parcels which have sold in the recent past. The sale prices of the comparables are adjusted for value-related differences from the subject property. The result is a range of value indication of what price the subject land would sell for in the market, as of the effective date of valuation.

The comparable land sales applied in estimating the value of the subject land are presented on the following pages.



Land Sale 1:	7781 Hardwood Ave. S., Cottage Grove
Legal Description:	Lot 1, Block 1, Gateway North First Addn.
PID Number(s):	08-027-21-33-0048
Buyer/Seller:	EIG14T O2B MN Cottage Grove LLC / Crown Estates Holdings, LLC & Joan Stoltz Trust
Zoning:	MU, Mixed Use
Sale Date:	March 20, 2023
Sale Price:	\$524,999 – Cash sale
Land Area:	59,246 SF or 1.36 acres
Indicated Factor(s):	\$8.86/SF

Moderately irregular shaped platted located lot at northern fringe of the Gateway North commercial area in the northeast quadrant of Highway 61 and 80th Street. Site is positioned north, behind the rear side of Kohl's department store which serves as a major anchor for the retail area; to the north uses transition into apartments and single-family homes. Significantly upward sloping toward east boundary and downward sloping beyond north boundary, necessitating substantial site work including major retaining walls to maximize developable area. Purchased for development with a day care facility. Average daily traffic counts along Hardwood Ave. of approx. 8,200.



Land Sale 2:	2205 Highway 13 W., Burnsville
Legal Description:	Lot 1, Block 1, BWP Addn.
PID Number(s):	02-16375-01-010
Buyer/Seller:	Altitude Property LLC / Mesenbrink Construction & Engineering, Inc.
Zoning:	B4, Highway Commercial
Sale Date:	May 15, 2024
Sale Price:	\$760,000 – Cash terms
Land Area:	92,030 SF or 2.11 acres
Indicated Factor(s):	\$8.26/SF

Moderately irregular shaped platted lot located on Highway 13 south frontage road in area of service commercial uses. Access to highway is available by traveling about one-half mile west to intersection with Washburn Ave. or traveling about one-half mile south, east and north to interchange of Highway 13 with Highway 5. Thickly wooded site with significant upward slope from northwest to southeast, requiring substantial grading and retaining wall construction to maximize site development. Purchased for construction of an auto body shop/sales facility. Average daily traffic counts along Highway 13 of approximately 51,000.



Land Sale 3:	173 Jade Trail N., Lake Elmo
Legal Description:	Outlot F, Boulder Ponds
PID Number(s):	34-029-21-33-0027
Buyer/Seller:	Pingree 2000 Real Estate Holdings, LLC / Lakeview Investment, LLC
Zoning:	C, Commercial
Sale Date:	March 3, 2022
Sale Price:	\$1,550,000 – Cash sale
Land Area:	186,938 SF or 4.29 acres
Indicated Factor(s):	\$8.29/SF

Irregular shaped, generally level outlot located in mixed commercial/high-density residential area fronting Hudson Rd., which is the I-94 north frontage road, with significant visibility from I-94 to south, though partially blocked by trees along the north edge of the highway right of way. Access to freeway is available via an interchange with Inwood Ave. about 3/4 mile west and an interchange with Keats Ave. about one mile east. Average daily traffic counts along I-94 of approximately 107,000. Purchased for development with Enterprise Car Sales and Rent-A-Car facility.



Land Sale 4: **East Side of Kenrick Circle, North of Kenwood Trail, Lakeville**

Legal Description: Lengthy metes and bounds – retained in appraisal file. Parts of Lots 7 and 17, Argonne Farms (old plat filed in 1922)

PID Number(s): 22-11850-00-173

Buyer/Seller: D7 Lakeville, LLC / Paul & Pamela Krause

Zoning: C-3, General Commercial

Sale Date: December 29, 2021

Sale Price: \$850,000 – Cash sale

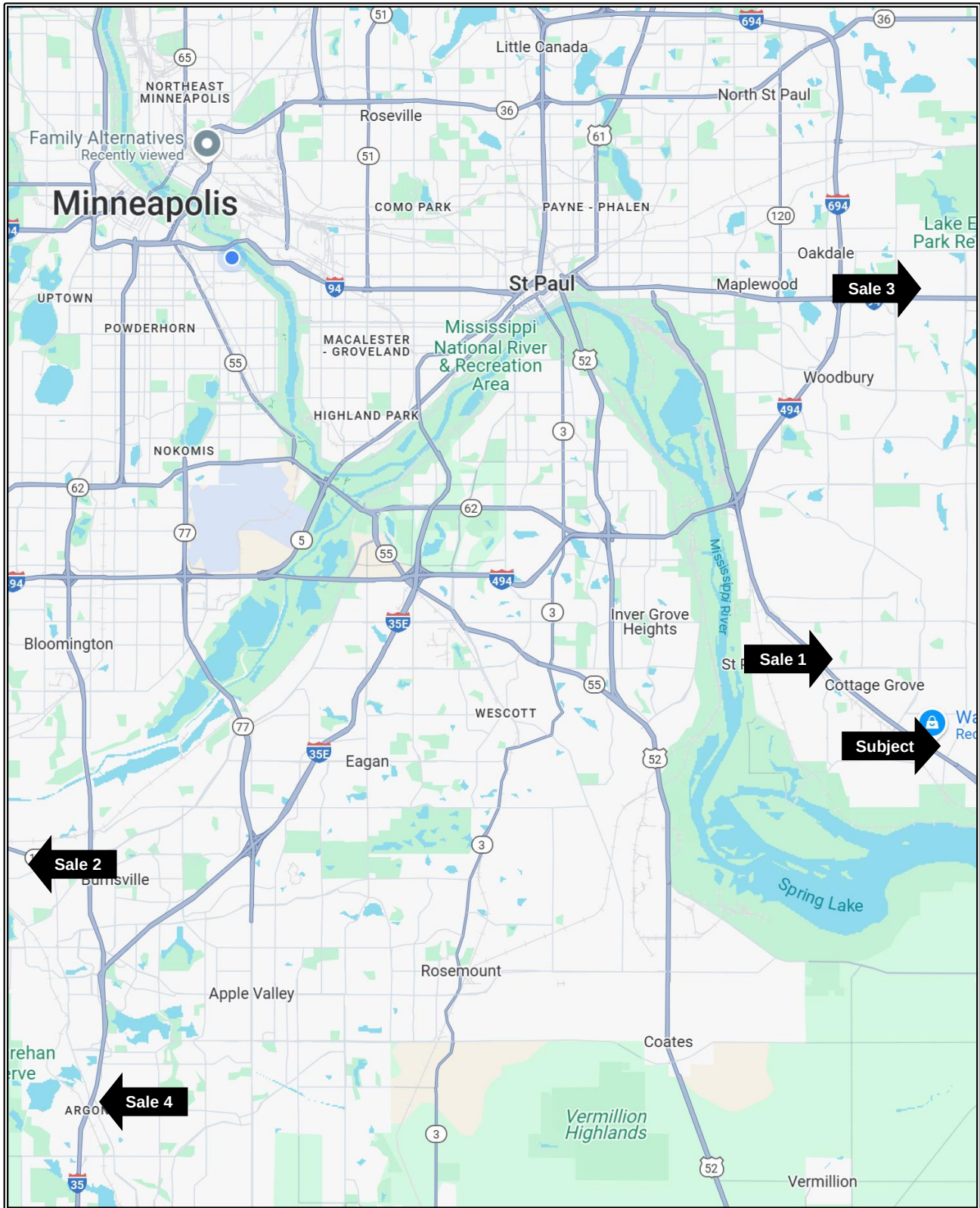
Land Area: 81,626 SF or 1.87 acres

Indicated Factor(s): \$10.41/SF

Moderately irregular, generally level essentially unplatted land parcel located just east of I-35/Kenwood Trail interchange in predominantly commercial area. Good, direct visibility from I-35, but access from the freeway interchange is circuitous, requiring a path southeast along Kenwood Trail, then east on 175th Street, then northwest on Kenrick Avenue, then south on Kenrick Circle. A large portion of the site is thickly wooded. Average daily traffic counts along I-35 of approximately 77,000.

Comparable Land Sales Summary								
#	Location/ PID #	Sale Date	Sale Price ¹	Buyer	Land Area ²	Price/ SF	Zoning	Comments
				Seller				
1	7781 Hardwood Ave. S. Cottage Grove 08-027-21-33-0048	3/20/2023	\$524,999	EIG14T O2B MN Cottage Grove LLC Crown Estates Holdings, LLC & J. Stoltz Trust	59,246 SF 1.36 ac.	\$8.86	MU Mixed Use	Moderately irregular shaped platted lot at N. fringe of commercial area in NE quadrant of Hwy. 61 and 80 th St. Significantly sloping topography, requiring substantial site work including major retaining walls. Purchased for development with day care facility. Avg. daily traffic counts along Hardwood Ave. of approx. 8,200.
2	2205 Hwy. 13 W. Burnsville 02-16375-01-010	5/15/2024	\$760,000	Altitude Property LLC Mesenbrink Construction & Engineering, Inc.	92,030 SF 2.11 ac.	\$8.26	B4 Highway Commercial	Moderately irregular shaped platted lot located on Hwy. 13 S. frontage road in area of service commercial uses. Thickly wooded site with significant upward slope from NW to SE, requiring substantial grading and retaining wall construction to maximize development. Purchased for construction of auto body shop/sales facility. Avg. daily traffic counts along Hwy. 13 of approx. 51,000.
3	173 Jade Trl. N. Lake Elmo 34-029-21-33-0027	3/3/2022	\$1,550,000	Pingree 2000 Real Estate Holdings, LLC Lakeview Investment, LLC	186,938 SF 4.29 ac.	\$8.29	C Commercial	Irregular shaped, generally level outlot located in mixed commercial/high-density residential area fronting Hudson Rd., with significant visibility from I-94 to south, though partially blocked by trees. Purchased for development with Enterprise Auto Sales and Car Rental facility. Avg. daily traffic counts along I-94 of approx. 107,000.
4	E. Side Kenrick Cir., N. of Kenwood Trl. Lakeville 22-11850-00-173	12/29/2021	\$850,000	D7 Lakeville, LLC Paul & Pamela Krause	81,626 SF 1.87 ac.	\$10.41	C-3 General Commercial	Moderately irregular, generally level unplatted land parcel located just east of I-35/Kenwood Trl. interchange in predominantly commercial area. Good, direct visibility from I-35 but circuitous access from interchange. Large portion of site is thickly wooded. Avg. daily traffic counts along I-35 of approx. 77,000.
Subject	9430 East Point Douglas Rd. S. Cottage Grove 22-027-21-34-0002	1/23/2025 Value Date	---	---	156,529 SF 3.59 ac.	---	R-3 Single- Family Residential Guided Commercial	Moderately irregular shaped, moderately sloping, thickly wooded unplatted land parcel located in path of outward urban development in Cottage Grove fronting Hwy. 61 north frontage road. Hwy. 61/Keats Ave. interchange is less than 0.20 miles SE. Land is valued as vacant, with necessary street infrastructure in place to provide access for commercial development, and assuming deferred special assessment has been paid. Avg. daily traffic counts along Hwy. 61 of approx. 32,000.

¹ Sale price includes assumed special assessments and building demolition costs, if any. ² Land area excludes existing road right of way, if any.



Land Sales Location Map

Analysis of Land Sales

The comparable land sales are adjusted for value-related differences in relation to the subject property. Upward adjustments are made to the comparable sale prices for characteristics inferior to the subject and downward adjustments are made for attributes which are superior to the subject. The comparable sales are analyzed based on a price per square foot of land area basis. Following are items for which adjustments were considered and made, where applicable and necessary:

Property Rights Conveyed: The property rights appraised are those of the fee simple interest. Each sale reflects a fee simple purchase and no adjustments are indicated.

Financing: The sales are cash or cash terms (financed with new market-rate mortgage) transactions and no adjustments are required for atypical financing affecting the sale price.

Sale Conditions: All four sales reflect arm's-length transactions which took place after the properties were listed on the open market. Additionally, the appraiser has no information indicating there was any significant undue or atypical pressure on the part of the buyers or sellers of the comparable sales to complete a transaction. No sale conditions adjustments are necessary.

Market Conditions/Time: Reflects changes in prices, if any, between date of each comparable sale and the valuation date, due to changes in market conditions. After several years of significant decline during the Great Recession years beginning around 2007 and extending into the early 2010s, real estate values experienced significant recovery, within the past 10-plus years. Though there was a significant downturn in the market in early to mid 2020 given the onset of the COVID pandemic, since the latter part of 2020, prices rebounded along with levels of certainty regarding the ultimate likely extent and impact of the pandemic.

Generally, in the past few years demand for commercial land has been relatively strong, resulting in moderate but sustained price appreciation. For this analysis, the comparables are adjusted based on price movements of +3% per year from the date of each comparable sale through the effective date of valuation.

Location: Takes into account location factors such as proximity to major access routes and shopping, visibility, surrounding development, and general area desirability/demand.

The subject property is located generally within the path of outward development in a southeast direction along the northeast side of Highway 61 in Cottage Grove. Though currently surrounded by a significant amount of undeveloped acreage, in general terms the necessary infrastructure needed to support urban development in this location is in place. The city has indicated there is a significant level of interest for developing the subject and adjoining land in accordance with its use guiding, which is a mix of primarily commercial and higher-density residential.

A notable initial phase of major development in the subject area is the Walmart store which was completed in 2014 and is only a few hundred feet northwest of the subject. The subject site has good at-grade visibility from Highway 61, which carries about 32,000 vehicles daily on average in this location. Access to an interchange with Highway 61 is available less than 0.20 miles to the southeast.

Sale 1 is also located in Cottage Grove, but is within a substantially more fully developed commercial area in relatively close proximity to the Highway 61/80th Street interchange. This area reflects a major retail district in the city. On the other hand, Sale 1 is positioned at the fringe of this retail district, “behind” the rear side of the Kohl’s store, where in a northward direction, uses transition to residential. The comparable has no highway visibility and thus lacks the high traffic count exposure enjoyed by the subject property. Considering the location positives and negatives of this comparable relative to the subject, overall the location appeal is considered similar, with no location adjustment warranted.

Sale 2 is considered somewhat superior in overall location appeal relative to the subject property. The comparable is within a more fully developed area with a mix of primarily service commercial uses which would be considered generally second-tier. However, the lot has good visibility from Highway 13, with traffic counts materially exceeding those along the subject property.

Sale 3’s Lake Elmo location is in many ways similar in market appeal, relative to the subject Cottage Grove location. However, the comparable has visibility from I-94, a much more heavily traveled roadway compared to Highway 61: I-94 carries about 107,000 vehicles in this location vs. about 32,000 for the subject location on Highway 61. Substantially offsetting the visibility advantage of the comparable is that its I-94 visibility is partially blocked by trees along the north side of the freeway corridor. Overall, Sale 3 is considered somewhat superior in location appeal.

Sale 4 has good, direct visibility from I-35 with traffic counts of about 77,000 along the freeway. The comparable is located in a significantly developed area of primarily commercial uses. Somewhat offsetting these advantages over the subject is that although the comparable is in very close proximity to an interchange with I-35, the travel path between the interchange and the property is circuitous. Nonetheless, all factors considered, overall Sale 4 is considered significantly superior to the subject.

Size: Generally, as parcel size increases, total price increases, but price per square foot typically decreases. The subject site has a land area of 3.59 acres. Adjustments, as applicable, are made to the comparables in a manner commensurate with their differences in site size relative to the subject property.

Shape/Utility: Development utility is affected by shape and other factors, including items such as easements. Regular shaped sites with few or no restrictions from easements and other factors are preferred in the market.

The subject site has an only moderately irregular shape configuration. There are no apparent restrictions affecting development potential, such as significant easements, wetlands, etc.

Sales 1, 2 and 4 are similar to the subject in shape/utility in that they have only moderately irregular shapes are not impacted by development restrictions such as easements or wetlands. Sale 3, however, does have a more significantly irregular shape given that the site narrows substantially at its north end, resulting in a portion of the site having limited utility. Sale 3 is inferior in shape/utility.

Soils/Topography/Trees: Stable subsoils needing no corrective measures for development, and level to moderately sloping topography are preferred in the market. For commercial uses, unlike for residential uses, the presence of trees typically does not enhance land value but rather can be a detriment, to the extent of the cost associated with their removal to make way for development, including often the need for tree removal mitigation.

The subject property soils are assumed to be stable. Topography is moderately upward sloping at about a 4% grade, from the southwest corner to the northeast corner. It is likely some site grading will be necessary to provide level spaces for development components, and it is possible that development would require some use of retaining walls along parts of some of the property boundaries to accommodate elevation differences. However, given the relatively moderate site slope, the site prep costs associated with such topography likely would be reasonably modest, compared to sites with more steeply sloping topography.

Approximately half the subject site is covered with numerous mature trees of varying heights and trunk widths. The trees would likely increase the cost of developing the land, due to the need for complying with city tree mitigation requirements as well as the cost of removing and disposing of the trees themselves.

Sale 1 has apparently stable soils and minimal tree cover. However, the site has a significantly greater degree of elevation change and more steeply sloping topography, relative to the subject, which required substantial outlays for retaining walls along the east and north sides to support maximal development. A substantial upward adjustment is made for the need for costly retaining wall construction given the inferior topography conditions.

Sale 2 has apparently stable soils but, similar to Sale 1, has a much greater level of elevation change and steeply sloping topography; the extent of required retaining wall site work on this property exceeded that needed on Sale 1. Additionally, similar to the subject, Sale 2 has a heavy cover of mature trees. Considering all of these factors, a substantial upward adjustment, larger than that made to Sale 1, is made to Sale 2 to reflect the level of inferiority of this comparable in topography relative to the subject.

Sale 3 has apparently stable soils, is generally level, and has no tree cover. Sale 3 is superior to the subject overall, resulting in a moderate downward adjustment.

Sale 4 has apparently stable soils and generally level topography but does have heavy tree coverage. Overall, the comparable is considered superior to the subject, largely given its level topography.

Development Stage/Platting/Infrastructure: This adjustment accounts for differences, relative to the subject land, in the point at which a parcel of land was purchased, in terms of the development stage spectrum ranging from completely raw land at one end to a finished, final platted shovel-ready site with all entitlements and required infrastructure in place and fees paid, on the other end.

At this stage of the analysis, the subject property is being valued assuming it is a vacant parcel with necessary street infrastructure in place to provide safe and appropriate access to support development with a commercial use; and also reflecting the parcel being free and clear of any outstanding special assessments. This valuation scenario also reflects that public water and sanitary sewer utility infrastructure is also immediately adjacent and available to the property to support commercial development, since the required access street assumed to be in place to provide access also contains water and sanitary sewer services.

It is noted that currently water and sanitary sewer service stubs that can serve the subject property are already in place along its East Point Douglas Road S. frontage. However, since commercial development of the land requires access to be provided by a street extension along the property's east boundary, rather than access being provided directly from East Point Douglas Road, these utilities will be extended northward within the new side access street, where they can be accessed to serve the subject property.

It is noted that at this stage of the valuation, it is recognized the subject land remains an unplatted parcel of land which later will be subject to the costs and fees associated with final platting of the land before it can be approved for construction of a building. These include surveying, engineering, plat submittal, approval and recording costs/fees, as well as area charges payable for the parcel's entitlement to utilize the city's water, sanitary and storm sewer infrastructure. In essence, the subject property is valued at this stage at a point on the development spectrum which is advanced beyond being completely raw land, but is still short of the point on the spectrum in which it is a final platted, shovel-ready finished commercial lot.

All four comparables have necessary access street and utility infrastructure in place to serve development, similar to what is assumed at this stage of the valuation for the subject property. The primary differences of the comparables relative to the subject are whether they are final platted lots or something short of that.

Sales 1 and 2 are final platted lots, with all necessary infrastructure in place and all fees paid. These comparables are substantially superior to the subject, which reflects unplatted land. Substantial downward adjustments are made to these sales to reflect their superiority in this respect.

Sale 3 is an outlot, reflecting that some of the cost outlays associated with moving the land toward final platted status have been made. However, the outlot is still subject to area charges and likely other fees associated with final approvals and final platting. Sale 3 is somewhat superior to the subject, resulting in a moderate downward adjustment.

Sale 4 is similar to the subject in that it is an unplatted parcel of land, subject to all the costs and fees associated with the need to advance the land to final platted lot status. No adjustment to Sale 4 is required.

Zoning/Use: Addresses differences in zoning or intended/allowable use for the site. More intensive allowable uses typically command higher prices per square foot.

The subject land is currently zoned R-3, Single Family Residential, which essentially reflects the existing use on the property as a single-family home. However, the land is guided in the city land use plan for Commercial use, which is the concluded highest and best use of the land, as vacant. It is a virtual certainty that upon development of the land, the subject property would easily be approved for rezoning to support commercial development. As such, the current R-3 residential zoning is not judged to have a material adverse impact on the property value, relative to a parcel that is already zoned commercial.

All four comparables have either commercial zoning or other zoning allowing commercial use, such as Sale 1, which has MU, Mixed Use zoning allowing commercial and multifamily use. Sales 1, 2 and 3 were purchased for development with commercial uses. Although to date Sale 4 has not yet been developed, it is clear that the buyer purchased the land with the knowledge that the highest and best use of the land is commercial, which is the same highest and best use as the subject land.

Given the above considerations, no zoning/use adjustments are warranted.

On the next page is an adjustment grid showing the adjustments made to the comparable sales as described above and on preceding pages.

Land Sales Adjustment Grid				
	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/SF)	\$8.86	\$8.26	\$8.29	\$10.41
Property Rights	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$8.86	\$8.26	\$8.29	\$10.41
Financing	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$8.86	\$8.26	\$8.29	\$10.41
Sale Conditions	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>	<u>x 1.00</u>
	\$8.86	\$8.26	\$8.29	\$10.41
Market Conditions	<u>x 1.06</u>	<u>x 1.02</u>	<u>x 1.09</u>	<u>x 1.09</u>
Adjusted Price	\$9.39	\$8.43	\$9.04	\$11.35
Location	0%	-5%	-5%	-15%
Size	-10%	-5%	0%	-5%
Shape/Utility	0%	0%	10%	0%
Soils/Topography/Trees	20%	30%	-10%	-5%
Development Stage/Plat- ting/Infrastructure	-15%	-15%	-5%	0%
Zoning/Use	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Net Adjustment	-5%	5%	-10%	-25%
Indicated Value For Subject	\$8.92	\$8.85	\$8.14	\$8.51

After adjustments, the land sale comparables result in value indications for the subject land, as vacant with necessary access in place and all assessments paid, ranging from \$8.14 to \$8.92 per square foot. The average of the value indications is \$8.61 per square foot. All four comparable sales are judged to be pertinent indicators of the subject property land value, after adjustments; all are given significant weight. The preponderance of value indications centers around \$8.75 per square foot. Market evidence best supports a value for the subject land of approximately \$8.75 per square foot.

Land Area: 156,529 SF or 3.59 Acres

156,529 SF @ \$8.75 / SF = \$1,369,629

Rounded to

OPINION OF LAND VALUE - AS VACANT WITH ACCESS IN PLACE, \$1,370,000
ASSESSMENTS PAID:

VALUE OF PROPERTY "AS IS"

To arrive at a final opinion of the subject property market value "as is", various deductions must be applied from the preceding conclusion of the market value of the land, as vacant, with access in place and assessments paid, since "as is", the land is not vacant, the necessary access infrastructure is not yet in place and there is a deferred assessment that must be paid off.

Shown below is a discussion of the cost deductions required to reflect the "as is" value of the property.

Improvements Demolition/Abandonment Cost

Following is a description of each improvement component on the subject land that would require a cost outlay for its removal or abandonment in order to make way for redevelopment:

House Demolition: The two-story house on the property is of wood-frame construction, with about 2,026 square feet of above-grade finished living area, two adjoining three-season porches and a partial basement containing about 588 square feet.

Pump House and Storage Shed Demolition: Each of these small outbuildings has dimensions of 10 feet by 8 feet. The majority of the demolition cost associated with the pump house relates to its brick walls, while the majority of the demolition cost associated with the storage shed relates to its underlying poured concrete slab.

Cap Well: Also referred to as sealing the well. Typically, a cement grout is poured into the well casing. The grout, once cured, prevents infiltration of liquids and any other materials from infiltrating the unused well.

Remove/Abandon Septic System: The subject property has an on-site septic system with an underground holding tank which presumably is connected to a drain field as well. Redeveloping the subject property with a commercial use would require that the holding tank be pumped empty, removed and disposed of off-site. Since significant grading of the subject land would be taking place to accommodate a new commercial project, it is unlikely the cavity containing the holding tank would have to be immediately filled, as long as the hole was protected to prevent objects or people from falling into the hole.

Redevelopment of the land also likely would require abandoning the drain field. This involves excavating the area of the drain field, removing the drain tiles and also removing any soils that appear to be saturated with effluent material, at least allowing for bacterial content within them to dry out and dissipate before mixing this material with the earth to be graded during site preparation for a commercial use. The excavated area likely would not need to be backfilled given that the overall site would undergo significant grading work upon redevelopment.

RECONCILIATION

The applicable approaches indicate the following market values of the fee simple interest in the subject property “as is”:

Cost Approach	Not Applied
Sales Comparison Approach	\$1,029,000
Income Approach	Not Applied

As discussed previously in this appraisal report, the highest and best use of the subject property is to demolish the existing improvements and redevelop the land with a commercial use. As such, the existing house and supporting site improvements on the property do not contribute to the value of the property beyond the value of the land alone and in fact decrease the property value to the extent of their cost of removal/abandonment, as compared with a similar land parcel with no existing improvements needing to be removed.

It is also noted that in order to develop the property to its highest and best use, the property would be subject to a cost share for a new access street that would have to be constructed along its east edge to provide appropriate access for a commercial use; and an existing deferred special assessment would have to be paid off as well.

The Sales Comparison Approach to value is founded on the principle of substitution, in that a prudent buyer will pay no more for a property than for an equally desirable substitute. An informed buyer seeks the best available property at the lowest price possible. This approach was applied in valuing the subject land, as vacant, with necessary access in place and the deferred assessment paid off. After appropriate adjustments, the comparable land sales are considered to provide a well-supported value indication for the subject property land component within this scenario.

Deducted from the conclusion of the subject property land value, as vacant, with access in place and deferred special assessment paid off were the estimated costs to demolish/abandon the existing improvements, the subject property’s required cost share of an access street supporting commercial development, and the cost to pay off the deferred assessment, resulting in a final opinion of the subject property in its current “as is” state.

The Cost Approach and Income Approaches typically are applicable only when a property contains improvements which contribute to the property value. Since the subject property improvements do not contribute value, neither of these approaches is applicable and thus neither was applied in this appraisal.

Given the above discussion, full weight is placed on the Sales Comparison Approach, since this was the only primary valuation approach applied in valuing the subject property.

Therefore, it is my opinion that the “as is” market value of the fee simple interest in the subject property, as of January 23, 2025 is as follows:

**ONE MILLION TWENTY-NINE THOUSAND DOLLARS
(\$1,029,000)**

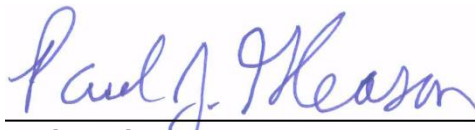
EXPOSURE TIME

The opinion of market value is based on an estimated property market exposure time of 6 to 12 months. Exposure time is defined as “an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal” (Source: 2024 Uniform Standards of Appraisal Practice, p. 4).

CERTIFICATION

The undersigned does hereby certify that in this appraisal report:

1. This appraisal assignment is not based on a requested minimum valuation or specific valuation for approval of a loan. The estimate of market value identified in this report was developed independent of any undue influence.
2. Neither my engagement to make this appraisal (or any future appraisals for this client), nor any compensation, therefore, are contingent upon the development or report of a predetermined value or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
3. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
5. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
6. To the best of my knowledge and belief the statements of fact contained in this appraisal report upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
7. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased analyses, opinions, and conclusions.
8. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the properties that are the subject of this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
12. The by-laws and regulations of the Appraisal Institute govern disclosure of the contents of this appraisal report.
13. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he/she is connected, or any reference to the Appraisal Institute or MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.
14. I have the knowledge and experience to complete this appraisal in a competent manner. Neither my company nor I have been sued by a regulatory agency or financial institution for fraud or negligence involving an appraisal report.
15. I have performed no services as an appraiser regarding the property that is the subject of the report within the three-year period immediately preceding acceptance of this assignment.



Paul J. Gleason, MAI

Certified General Real Property Appraiser
Minnesota License #4003073

PROFESSIONAL QUALIFICATIONS
PAUL J. GLEASON, MAI

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

MAI Member – The Appraisal Institute

APPRAISER LICENSE

Certified General Real Property Appraiser – State of Minnesota –
License #4003073

EDUCATION

University of Wisconsin at La Crosse, Wisconsin – 1985
Bachelor of Science Degree in Business Administration

PROFESSIONAL EXPERIENCE

Principal – BRKW Appraisals, Inc., St. Paul, MN, 2007-present

Staff Appraiser – BRKW Appraisals, Inc., St. Paul, MN, 1993-2006

Appraiser – Certified Appraisers, Excelsior, MN, 1993

Appraiser – Stiles Appraisals, Inc., Plymouth, MN, 1992-1993

Expert Witness Testimony – For real estate litigation in numerous condemnation commissioners' hearings, arbitration hearings and in District Court

Presenter/Speaker at Minnesota Department of Transportation's 2016 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2014 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2012 Right of Way Professionals Workshop, Brainerd, MN

Presenter/Speaker at Minnesota Department of Transportation's 2010 Right of Way Professionals Workshop, Breezy Point, MN

Appraisal assignments have been completed for the following purposes:

Condemnation – Partial and total acquisitions, in fee title and in easement form

Property Damage Claims Litigation

Special Benefits Valuation

Mortgage Financing

General Valuation Needs – Purchase negotiations, listing prices, internal family or partnership transactions, estate planning/taxes, marriage dissolution, etc.

PROPERTY TYPES APPRAISED

Land – Commercial, industrial, residential acreage, agricultural, finished lots
Commercial Buildings – Office, industrial, retail, medical office, auto dealerships
Apartment Buildings/Complexes
1-4 Family Residential – Single-family home, townhome, condo, duplex, fourplex

PROFESSIONAL REAL ESTATE STUDIES

Appraisal Institute courses, including all required for MAI designation:

Course 110: Appraisal Principles (examination passed)
Course 120: Appraisal Procedures (examination passed)
Course 210: Residential Case Study
Course 310: Basic Income Capitalization
Course 410: National Uniform Standards of Professional Appraisal Practice
Course 420: Business Practices and Ethics
Course 510: Advanced Income Capitalization
Course 520: Highest and Best Use and Market Analysis
Course 530: Advanced Sales Comparison and Cost Approaches
Course 540: Report Writing and Valuation Analysis
Course 550: Advanced Applications

Numerous additional classes and seminars for appraisal pre-license and continuing education requirements, on an ongoing basis, from Appraisal Institute and other sources

CLIENTS INCLUDE

Minnesota Cities of Afton, Austin, Apple Valley, Blaine, Cambridge, Cottage Grove, Eagan, Lino Lakes, Maplewood, Northfield, Oak Park Heights, Owatonna, Prior Lake, Rochester, Savage, Wabasha and Woodbury, among others

Associated Bank	BMO Harris Bank N.A.
Bremer Bank	Bridgewater Bank
Dougherty, Molenda, Solfest, Hills & Bauer, P.A.	Eckberg Lammers, P.C.
Everett Law, LLC	Greene Espel PLLP
LeVander, Gillen & Miller, P.A.	Kennedy & Graven, Chartered
Metropolitan Council	Minnesota Dept. of Transportation
US Bank	Western Bank

And various other individuals, attorneys, communities and counties

Revised: January 1, 2025

COMPANY PROFILE

BRKW APPRAISALS, INC.

2100 Minneapolis Avenue
Minneapolis, Minnesota 55406

Phone: 651-646-6114
email: brkw@brkw.com
Website: www.brkw.com

BRKW Appraisals, Inc. (formerly known as Bettendorf Rohrer Knoche Wall, Inc.) is a full-service professional real estate appraisal company formed in 1991. The two principals of the firm have more than 50 years of combined experience in the valuation of a wide variety of real estate. Located in Minneapolis, we concentrate on the appraisal of real estate primarily in the Twin Cities Metropolitan Area, as well as outlying communities in Minnesota.

Our extensive professional training and experience enable us to provide the expertise necessary for consistently reliable real estate valuation. Our appraisal reports are confidential documents completed in accordance with all current standards of professional appraisal practice and ethics. All of the appraisers employed by the company have the Certified General Real Property Appraiser license from the State of Minnesota. Our appraisers stay current with advances in appraisal techniques and the changing real estate market through continuing education programs.

At BRKW Appraisals, Inc. we strive to build and maintain long-lasting relationships with our clients. Our goal is to provide high-quality professional real estate valuation services in a timely manner that is consistent with the needs of our clients.

Appraisal & Consulting Services

Real Estate Appraisals
Mortgage Financing Appraisals
Condemnation/Litigation Appraisals
Review Appraisals
Real Estate Tax Abatements
Special Benefits Analysis
Expert Witness Testimony
REO Portfolio Valuation
Feasibility Studies
Market Surveys

Property Types

Commercial Properties
Industrial Properties
Multiple Family Residential
Single Family Residential
Subdivision Analysis
Vacant Land Parcels
Special Purpose Properties
Gas Station / Convenience Stores
Schools and Churches
Recreation Facilities

APPRAISAL STAFF

Paul J. Gleason, MAI – Principal and Managing Partner

Paul has been appraising real estate since 1992, and has the MAI designation of the Appraisal Institute. He has in-depth experience in the valuation of numerous real estate property types. Over the years, he has developed special expertise in the appraisal of land, and in eminent domain as well as special benefits valuations. Paul is a graduate of the University of Wisconsin at La Crosse and licensed as a Certified General Real Property Appraiser.

Mark A. Warren, MAI – Principal

Mark, a third-generation real property appraiser, has been appraising since 2003 and has the MAI designation of the Appraisal Institute. Types of property appraised include office, industrial, hotel/motel, retail/commercial, and other special use properties. Mark is a graduate of the University of Minnesota and licensed as a Certified General Real Property Appraiser.



Request for Proposals

Development of a hotel in the City of Cottage Grove, MN

RFP issued May 15, 2025

RFP due August 29, 2025

City of Cottage Grove, 12800 Ravine Parkway S, Cottage Grove, MN 55016
Economic Development | EconomicDevelopment@CottageGroveMN.gov



Opportunity: Development of a hotel on a 3.59 acre city-owned property in the City of Cottage Grove, Minnesota. Qualified developers must have significant experience in hotel development and be willing to construct a 90-room, mid-scale to upper mid-scale, national brand hotel. Experience working in public/private partnerships preferred.

COMMUNITY HIGHLIGHTS

Cottage Grove is one of the fastest growing communities in the Minneapolis/St. Paul metropolitan area. Home to more than 42,000 residents, the city boasts more than 35 miles of shoreline in and around the Mississippi River. Guided by a dynamic “business-friendly” strategy, our vibrant city continues to add record-setting growth for new residents, job creation and industrial park investment. The City also prides itself on being a great place to do business. Economic development is a top priority for the city council; they recognize that prosperous business owners, quality jobs, and an increased tax base all help to create a healthy city.

In 2024, the city hired a consulting team at Chandlerthinks to help create a [strategic plan](#) for the convention and visitors bureau. In conducting research for the plan, the consultants at Chandlerthinks worked with staff to survey our largest businesses to determine how many corporate visitors, contractors, vendors and others they had each year that required overnight stays. This brief survey showed that most of the business visitors stayed and dined in nearby cities because of the lack of hotel accommodations in Cottage Grove. In May the city engaged the services of HVS to conduct a **leakage study** to determine the impact of revenues being lost as a result of the lack of hotel accommodations to support both business travelers and our growing sports league play. This study is estimated to be completed in June and the results will be added as an addendum to this RFP.

When in Cottage Grove, you are always near one of the city’s 38 parks - many of them connected via our trail network. Our city also boasts one of the state’s largest inclusive playgrounds. We have a bike park, dog park, disc golf course, splash pad, municipal golf course and a state of the art ice arena and more. The city team has also done a great job attracting regional events to the golf course, ice arena, area parks and other area attractions.

In 2017, the city hired HKGI to evaluate the economic impacts of the many athletic events that the city hosts. The [Economic Impact of Athletics Study](#) stated that on an annual basis, athletic events in Cottage Grove stimulated an estimated \$7,577,000 of direct spending by both residents and visitors of Cottage Grove. This direct spending generated an additional \$1,515,000 through business-to-business or “indirect spending.” Of the \$7,577,000 spent due to athletic events, 46% or \$3,458,000 is coming from outside the community. Individual tournaments generated \$2,896,000 of



direct spending from out of town, and another \$189,000 of spending by Cottage Grove residents. League play generated \$3,930,000 of direct spending by Cottage Grove Residents, and \$562,000 of direct spending by outside visitors. The conclusion of HKGI was that, on a regional basis (within and beyond Cottage Grove's borders), athletic events were responsible for \$14,975,000 of direct spending and \$5,990,000 of indirect spending. Fast forward to 2025 and impact of the league play has only continued to increase with demand for all venues at an all-time high. This survey also showed that the majority of the sports participants had to stay and dine in nearby cities because of the lack of hotel accommodations in Cottage Grove.

1. DESIRED HOTEL PROJECT OUTCOME

A [Hotel Market Study](#) was completed by HVS, LLC in December of 2022. The study indicated that there is a need for a 90-room, mid-scale to upper mid-scale, national brand hotel in the city. The City anticipates a 3-Story building which offers amenities such as free hot breakfast for all guests, a fitness room, guest laundry room, an indoor pool, and an elevator. The city currently has two hotels The Country Inn and Suites, which is a business hotel located at 8350 East Point Douglas Road and the Wakota Inn and Suites, which is located at 7125 80th Street South and is considered an economy motel. The city is also home to Hope Glen Farm and Treehouse and The Madison. These unique properties have accommodations for weddings and corporate events however, there are a limited number of spaces to accommodate guests, so most people must stay in nearby Woodbury or Hastings.

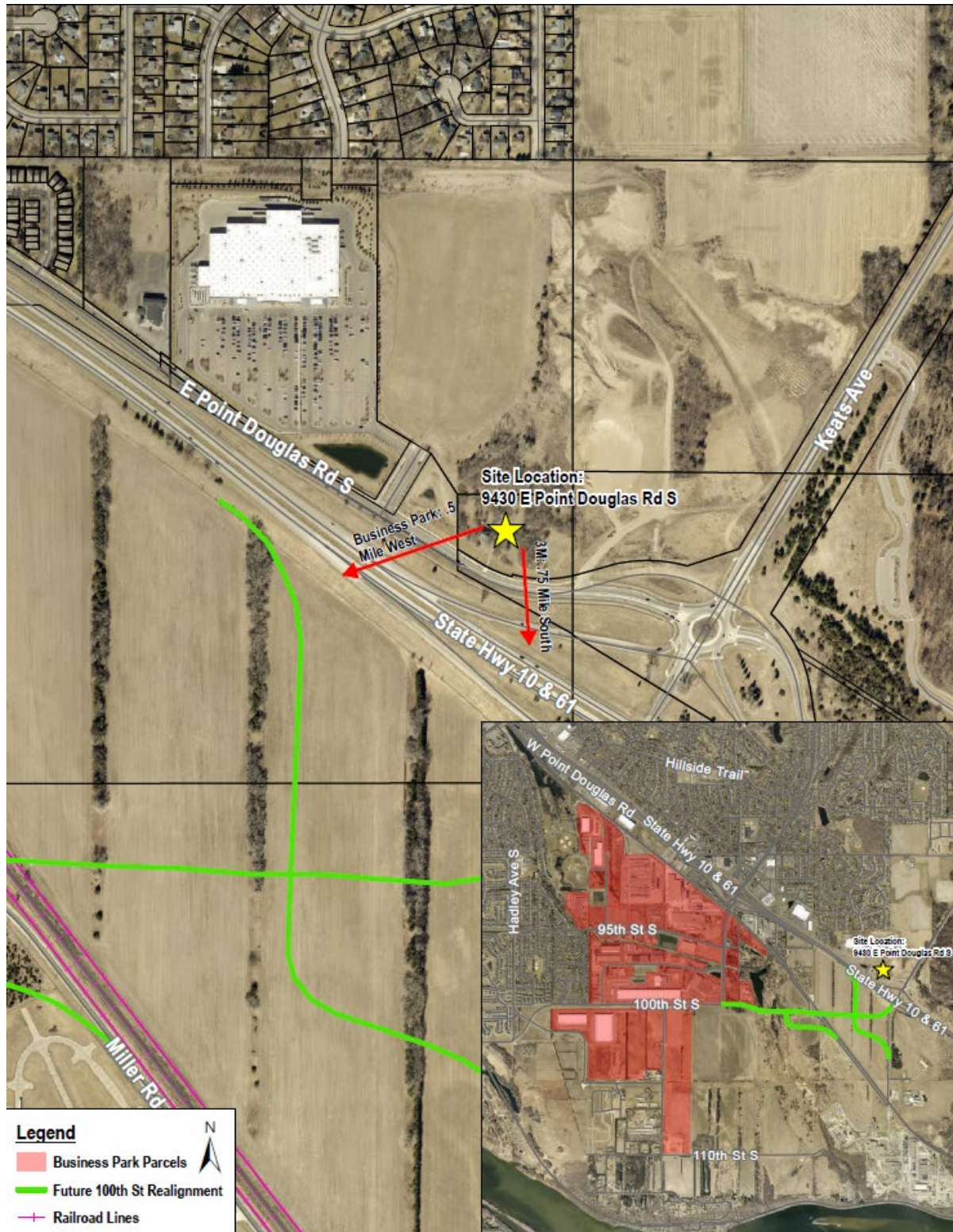
2. PROPOSED SITE INFORMATION

The selected hotel site is proposed to be located on a 3.59 acre parcel at 9430 East Point Douglas Road. This busy corner ensures high visibility and easy access for business travelers and visitors, making it an ideal spot for attracting potential guests. The property is 15 minutes from St. Paul and 18 miles from MSP International Airport. The proximity of the property to the City Business Park, which is less than 1 mile, is ideal. The business park currently has over 3,550 employees. The business park managers report that their corporate visitors, vendors, contractors and others who regularly visit their facilities, have to stay in nearby Woodbury, Hastings, or the near the airport, due to a lack accommodations and a preference for national brand hotels.

Business Park | No. of Employees



SITE LOCATION | DISTANCE TO BUSINESS PARK



3. SITE ANALYSIS

The property is currently zoned residential but is guided as mixed-use in the City's Comprehensive Plan. The city applied for EPA funds from Washington County CDA for a Phase 1 ESA and those funds have been approved. The engineering team at Stantec is currently working with the city to conduct a site assessment and soil borings. We anticipate the Phase 1 to be completed by June. An [appraisal](#) was completed by BRKW Real Estate Valuation Services.

In December of 2024, the city engineering consultants at Bolton-Menk created a conceptual layout for a potential 3-story, 90 room hotel on the site. The proposed building footprint is approximately 190,000 SF with 140 parking spaces. The street extension to the site will use the existing access on the east side of the property, constructed in 2017 with the County's project. The street will ultimately extend north to Cottage View Drive and will consist of a 3-lane, 39' face-to-face roadway with a 5' sidewalk on each side.

Key points of the proposed public infrastructure are:

- 75' wide right-of-way to allow space for boulevard trees and setback from the property line to the sidewalk. 75' would reduce the right-of-way needs and maximize the developable area and still achieve the desired boulevard widths.
- Sanitary sewer and water would connect to the stubs at East Point Douglas and be transitioned east into the new roadway.
 - Services would extend into the parcel 10' beyond the right-of-way.
 - The existing 18" watermain would be reduced to 12". The 18" trunk watermain alignment is proposed with the Shoppes project to run along Cottage View Drive from East Point Douglas to the roundabout.
- As shown, for cost estimating purposes, storm sewer was estimated for this street extension only.
 - The city will have to design and upsize the storm sewer to account for future roadway drainage to the north. Costs for trunk oversizing have not been analyzed.
 - The proposed site is fully utilized. Onsite stormwater management may require underground storage, or offsite treatment may need to be pursued (likely to the east).
- The proposed street section matches what is proposed for Cottage View Drive; 5" of pavement over 10" of Class 5 gravel base.
 - Excavation for the street section was estimated, but mass site grading cut/fill was assumed to occur with proposed site development.
- Street lighting would be installed along both sides of the roadway and conduits would be extended to the north end of the roadway for future extension.
 - A new service cabinet would be required for the roadway.

- Boulevard tree planting is included.

The total estimated project cost is approximately \$670,000, which includes 10% contingency and 30% indirect costs.

- Watermain oversizing for the 12" proposed watermain would be \$21,000 which is included in the total project costs.

Mass site grading, ponding and storm sewer oversizing have **not** been accounted for in the estimate.

Figure 1

ROSS PARCEL DEVELOPMENT
City of Cottage Grove

Figure 1: Hotel Concept
December 2024

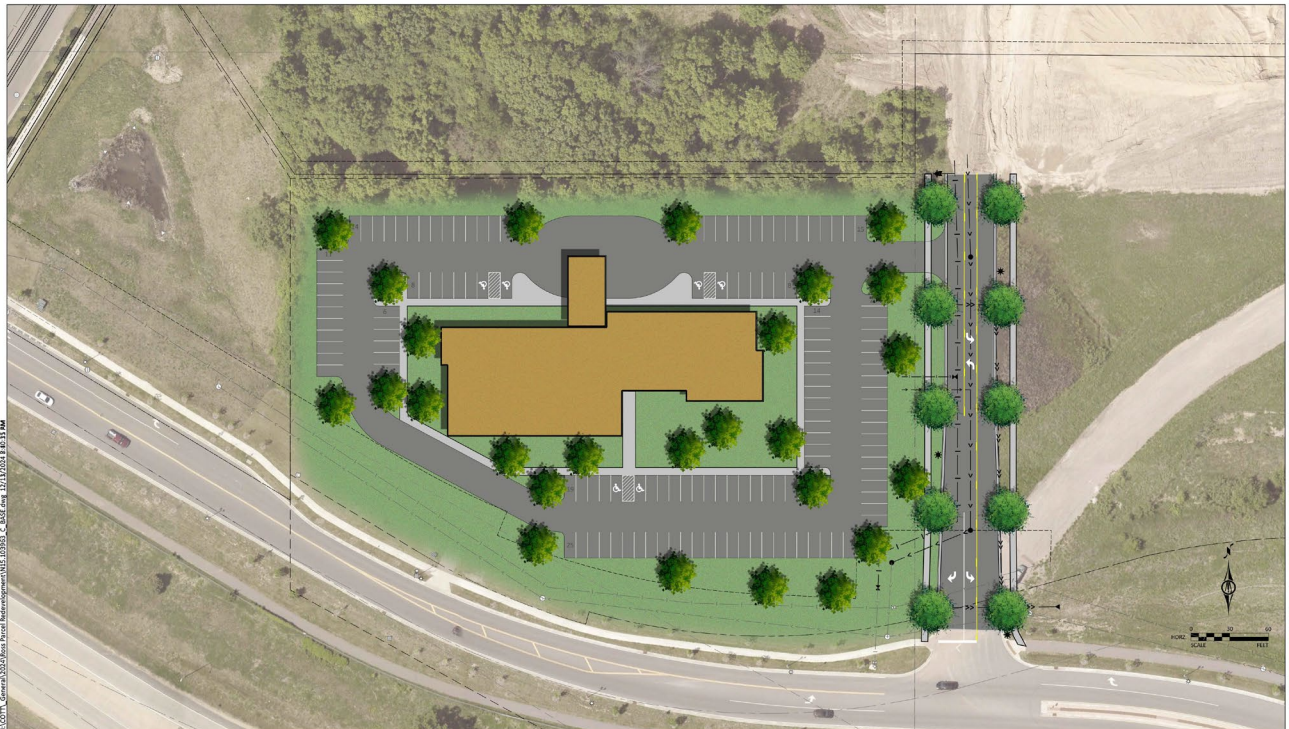


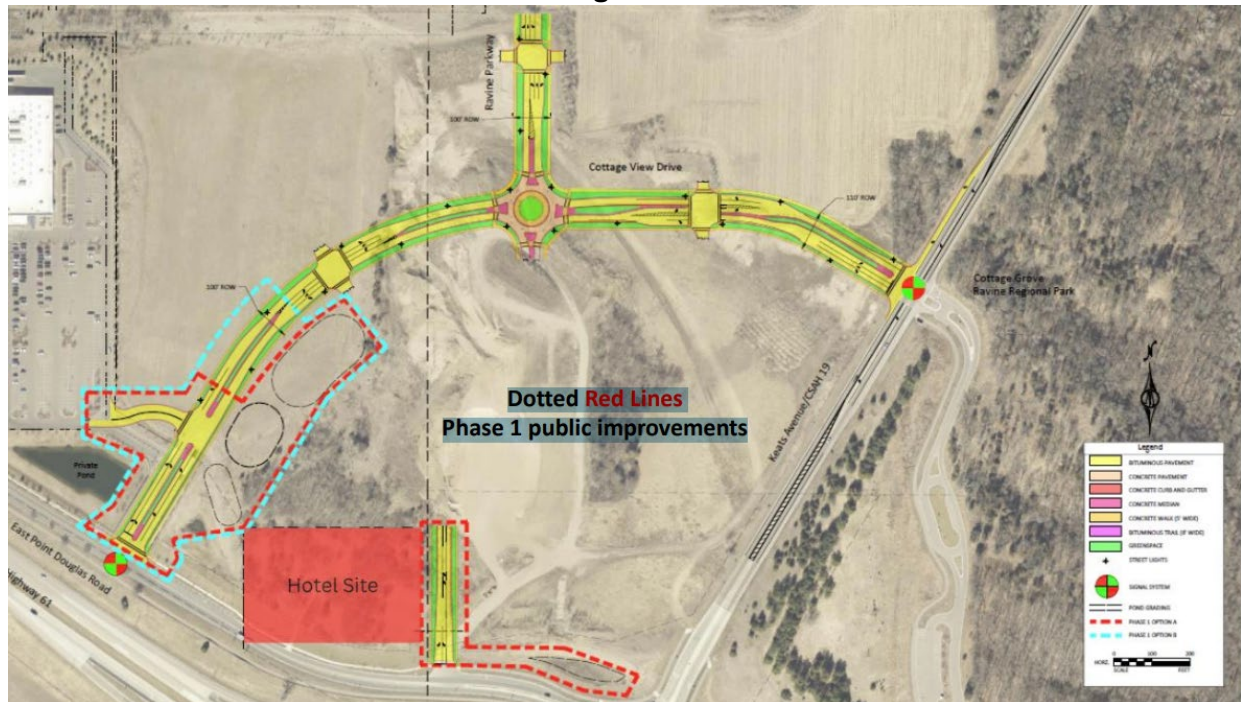
Figure 2

ROSS PARCEL DEVELOPMENT
City of Cottage Grove

Figure 1: Site Concept
December 2024



Figure 3





In addition to the purchase of the property of \$1,055,000, the city will invest an additional \$100,000 making the site shovel ready for the selected developer.

Developer fees are estimated at:

City Fees Paid by Developer*

2025 Area Charges	
Water	\$8,292.90
Sanitary	\$5,600.40
Planning Fees	
Zoning Amendment, Commercial	\$565 plus \$5,000 escrow
Site Plan Review	\$500 plus, \$5,000 escrow
Connection Fees	
Water	\$8,316
Sanitary	\$5,616
Tree Mitigation	
\$67,500 (estimated)	
Park Dedication Fees	
\$41,200 at \$8,400/ac. or 4% of the FMV of the property whichever is higher	
Met Council Fees	
Metro Sewer Availability (SAC): \$126,735 at 51 SAC Units estimated	

*2025 Fee Schedule

Engineering fees

While some engineering fees are included in the Section. 3 - Site Analysis, there may be additional fees for things such as phosphorus mitigation and off site ponding, as well as additional engineering fees administration, inspections, testing and others which are calculated by the engineering staff or our consultants and vary by project.

Other Considerations and Notes:

The approximate price to build a 90-room, midscale to upper midscale, limited-service hotel in 2025 is \$11.5M to \$13.7M. The Washington County Property Records & Taxpayer Services Taxation Division provided the following estimate of the total property tax bill using Pay 2025 tax rates and the value of \$13.7M would be as follows:

Tax Statement	
County	\$42,387.27
Regional Rail	\$198.68
City	\$66,123.85
State	\$78,202.47
SD - Voter	\$52,917.49
SD - Other	\$45,623.16
Metro STDs	\$3,333.20
Other STDs	\$3,631. 50
TIF	\$0.00
FD	\$118,303.13
Non-SD Referenda	\$323.25
Total before SA	\$411,044.00
Contam Tax	\$0.00
SA	\$0.00
Total	\$411,044.00

The Shoppes at Cottage View

The proposed hotel site is adjacent to the 73-acre Shoppes at Cottage View site, which is under option by a developer out of Michigan, River Caddis, until the end of the 2025. River Caddis has not submitted a final site plan, plat or zoning amendment. There is also significant interest in the property from other commercial brokers and home builders given its location with high visibility and easy access to Hwy 61/10. Should the option with River Caddis expire in December, other offers are ready to be made to the property owner. The city has \$3M from the CDS (HUD) grant monies that we received with the assistance from Rep. Angie Craig which can be used for the roadway and utility improvements for the public improvements in Figure 3.



4. Incentives and Assistance

The City has a number of Economic Incentive Tools available and at their disposal needed to support the hotel development. These incentives act as financial catalysts that may enhance the feasibility and long-term profitability of this hotel project.

1. Infrastructure Support: The selected site has access to sufficient water, sanitary sewer, storm sewer, and electric, gas and fiber utilities.
2. Sale of City-Owned Land: The opportunity to purchase city-owned land at reduced price.
3. City Investment: The City is willing to consider business subsidies to support the development.
4. Environmental Studies: A Phase I Environmental Study is being performed at the City's expense.
5. Energy incentives may be available through Xcel Energy. Our primary contact is Jacob "Jake" Andre Jacob.N.Andre@xcelenergy.com or 952-232-7630.

5. SELECTION TIMELINE, REQUIREMENTS AND CRITERIA

Issue Request for Proposal: May 15, 2025

Inquiry/questions cut-off: August 1, 2025

Proposal Due: August 29, 2025

Evaluation of Proposals and Interviews: September 2025

Invite select hoteliers to meet with Evaluation Committee: November 2025

Contractor Selected: January 2026

Economic Development Authority: Purchase Agreement February 2026

Planning Commission: March 2026

- Zoning Amendment, Commercial
- Site Plan Review
- Engineering Review

City Council Award: April 2026

6. EACH PROPOSAL MUST, AT THE MINIMUM OFFER THE FOLLOWING:

- List of similar projects completed.
- List of industry related references including name, title, company, project description, email and phone number.
- Description of the firm's proposed project approach, demonstrating an understanding of the project and its intended deliverables.
- Detailed description of estimated cost for project including construction, FF&E, pre-opening expenses and other soft costs.
- Detailed estimate of the financial assistance requested from the City to support the project and detailed Proformas with and without City assistance to demonstrate financial feasibility.
- Estimated project timeline from execution of purchase agreement through opening.
- Designated contact person with name, title, phone and email information.

7. THE COMPANY SELECTED WILL BE BASED UPON THE FOLLOWING CRITERIA:

- Purchase Price
- Project Design Understanding and Approach
- Project Manager Experience and Qualifications
- Strength and Experience of Assigned Staff
- Experience, Expertise and Credibility of the Company's Team
- Demonstrated Success by the Company in Completing Projects
- Proven Experience Working with Similar Sized Communities



- Diversity in Funding Sources
- Quality and Professionalism of Submitted Proposal
- References

8. Selection Criteria – City Hotel Advisory Committee 100 Point System

- **Price and Purchase Offer (40 Points)**

The most competitive proposals will offer a fair price and substantiation of that price, as well as a description of any other public benefits included with the project.

- **Project and Design Concept (25 Points)**

Projects that demonstrate a high quality design and align with city goals as identified in Section 2 of this RFP and projects that maximize employment opportunities will score maximum points.

- **Proven Ability to Execute (25 Points)**

Developers that demonstrate their ability to execute a quality project through their portfolio, team qualifications, and references will score maximum points.

- **Schedule (10 Points)**

The City is committed to delivering this product quickly to the market and proposals that show realistic but aggressive schedules will achieve a favorable score.

9. SITE VISITS AND PRESENTATIONS

Site Visits should be scheduled through the Economic Development Director.

The Economic Development Authority intends to select one or more respondents to make in-person presentations to the selection committee before identifying a team with which to begin negotiations for the agreements.

10. SUBMITTAL REQUIREMENTS

The deadline for proposal submittals is 4:30 p.m. CST on August 29, 2025. Any submittals arriving thereafter will not be accepted. The proposals should be submitted to:

Economic Development via email EconomicDevelopment@cottagegrovemn.gov



11. QUESTIONS

All questions should be submitted via email to

EconomicDevelopment@cottagegrovemn.gov by 4:30 p.m. CST on Friday, August 1, 2025. The City retains the right to disregard questions submitted after the above-mentioned deadline.

12. EVALUATION COMMITTEE

The evaluation committee will consist of members of the Economic Development Authority, City Administrator and staff including economic development, planning, engineering, and public works.

13. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP will become the property of the City and will become public record after the evaluation process is completed and an award decision has been made. If the Consultant submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota State Statutes 13.37, the Consultant must:

1. Clearly mark all trade secret materials in its response at the time the response is submitted by indicating in writing the specific page number(s) and paragraph(s) classified as trade secret and therefore nonpublic.
2. Include a statement with its response justifying the trade secret designation for each item and defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the City, its agents and employees, from any judgment or damages awarded against the City in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the City's award of a contract. In submitting a response to this RFP, the Consultant agrees that this indemnification survives as long as the trade secret materials are in possession of the City. The City is required to keep all the basic documents related to its contracts, including responses to RFP for a minimum of seven (7) years.

The City will not consider the prices submitted by the Consultant to be proprietary or trade secret materials. Responses to the RFP will not be open for public review until the City decides to pursue a contract and that contract is executed.



14. CONTRACT TERMS, CONDITIONS AND AWARD

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. In the event the City and the Consultant are unable to agree upon all contract provisions, the City reserves the right to cease negotiations, and to move on to select another vendor, or to reject all Proposals.

1. No elected officials or employees of the City who exercise any responsibility in the review, approval, or implementation of the Proposal shall participate in any decision which affects their direct or indirect financial interests.
2. It is a breach of ethical standards for any person to offer, give, or agree to give any City employee or elected official, or for any City employee or elected official to solicit, demand, accept or agree to accept from another person or agency, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group, or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded to the general public.
3. The Consultant shall not assign any interest in this contract and shall not transfer any interest in the same without prior written consent of the City.
4. The Consultant shall not accept any private client or project that may place it in ethical conflict during its representation of the City.

15. STATEMENT OF NON-COLLUSION

The following statement shall be made as part of the Contractor's Statement of Qualification. I affirm that I am the Contractor, a partner of the consulting Contractor, or an officer or employee of the Contractor's corporation with authority to sign on the Contractor's behalf. I hereby affirm that the contents of this Statement of Qualification have not been communicated by the Contractor or its agent to any person not an employee not an employee or agent of the City.

_____. Signed
_____. Print Name
_____. Title
_____. Date
_____. Contractor Name

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Jaime Mann, Assistant to the City Administrator

DATE: June 5, 2025

RE: 2025 Façade Improvement Program Application

Introduction

A façade improvement program is a popular mechanism to incentivize improvements to the exterior of commercial buildings. The purpose of the façade improvement program is to strengthen the vitality of the community by improving the overall appearance of the City of Cottage Grove commercial districts.

Background

Program Background

In 2019, the City of Cottage Grove approved a façade improvement program; the program is a grant-based program that offers a 50% match in financial assistance to commercial property and/or business owners. The financial assistance is meant to help beautify buildings, increase consumer awareness of businesses, and sustain a healthy commercial building stock in Cottage Grove by keeping them in code compliance.

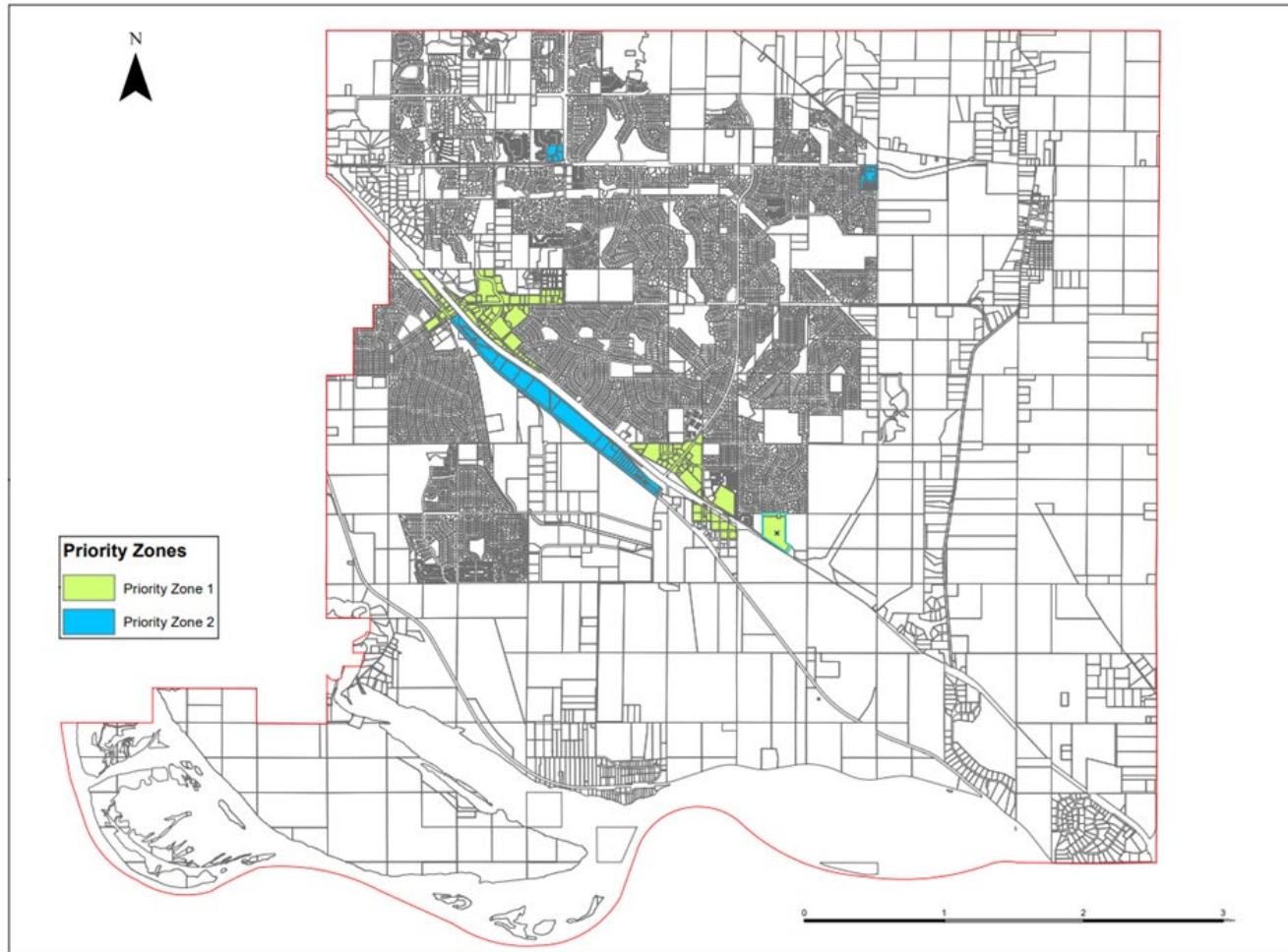
As part of the program, criteria was established that an applicant must meet in order to apply for the program. The criteria is used to determine the grant awardee(s). The criteria includes:

- Location within the City of Cottage Grove (based on priority map).
- Ability to encourage improvements to surrounding businesses.
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Building owners who have not previously been awarded a grant will be considered before those who have already received grant funding.

As referenced in the criteria, a business must be located in the City of Cottage Grove. Priority is given to applications from areas that contain a larger concentration of commercially zoned parcels as well as those areas in the community that have a more visible/higher traffic count.

The priority zones include:

- 80th Street and East Point Douglas Road (zone 1),
- Jamaica Avenue and East Point Douglas Road (zone 1),
- Southwest corner of 70th Street and Keats Avenue (zone 2),
- Northwest corner of 70th Street and Hinton Avenue (zone 2) and,
- West Point Douglas Road (zone 2).



Program Funding

The façade improvement program allows the EDA to award matching grants for 50% of the costs of improvements. In 2019, the maximum grant amount was \$5,000, but the program allowed the EDA to award larger grant amounts based on the scope of the property and/or business owner's project and funding availability. Based on the applications received in 2019, it was determined that the City would be better served if the program was marketed to projects larger in scope and created a greater impact in the community. In 2020, the funding was changed to reflect projects of larger scope, and applicants could submit for projects up to a maximum of \$24,999 matching reimbursement.

In 2020, residents and businesses were impacted by the COVID-19 pandemic. The economic impact during this time for the business community has been difficult. The City of Cottage Grove wanted to continue to show support for the business community, so the EDA approved additional funding for the façade improvement program (\$50,000) from the EDA Trust to demonstrate the commitment to Cottage Grove business community. In total the façade improvement program budget is \$75,000, which allows the EDA to award up to three (3) \$24,999 grants to businesses. The EDA has awarded no grants for 2023 so far. The previous grant awardees have included:

2019: Oasis Chiropractic Building – 7470 East Point Douglas Road
2020: Culvers of Cottage Grove – 7998 Hardwood Avenue
2020: Jamaica Plaza Building – 8475 East Point Douglas Road

2020: Shoppes at Gateway North – 7750 Harkness Avenue South
2021: Caribou Cabin – 7702 80th Street South
2021: Carlson Auto – 8799 East Point Douglas Road
2022: Oak Park Commons – 7430 80th Street South
2022: The Shoppes at Almar Village – 7115 Jorgensen Lane South
2022: Hemingway Retail, LLC – 7584 80th Street South (contract expired)
2023: Hemingway Retail, LLC – 7584 80th Street South

2025 Façade Improvement Program Applications

The EDA received a three applications this year.

80th Street Crossing (6990 80th Street S) – Priority Zone 1

80th Street Crossing is a multi-tenant building located near the intersection of 80th Street and Hadley Avenue. The proposed project would consist of tuckpointing and painting the façade of the building to a more modern look, moving the Pizza Hut sign off the roof to match the rest of the tenant signs, installation of window film for privacy on the back windows at Basic Needs, and replace the building lighting with under canopy lighting and can lighting. In total, the project is estimated at \$75,189 and the applicant is requesting \$24,999 which is roughly a 33% match. Any awarded dollars would be based on a 50% match of actual costs incurred by the business up to a reimbursement of \$24,999.

80th Street Crossing also requested design assistance. Design assistance allows applicants to apply for an additional \$2,000 (matching funds are not required) to procure a licensed design professional/architect to assist with creative design to ensure the appropriate scale and scope of the desired revitalization project for the exterior of the building. Design assistance must be requested at the time of application. If funds are given for design assistance, the design must be incorporated into the project to receive the funds.

All work submitted on the application is eligible for the program except the installation of window film which is estimated at \$2,036.





Current Façade

Sherwin Williams (7430 East Point Douglas) – Priority Zone 1

The Sherwin Williams building is located near on the frontage road of East Point Douglas Road. The proposed project would consist of power washing the exterior of the building, replacing damaged/rotted fascia and soffit panels, replacing missing fencing, replacing/repairing existing drip edge, tuckpointing any deteriorated mortar joints, cleanout and recaulking masonry expansion joints, prep, prime and painting all four sides of building, soffit, fascia, pylon sign posts, wood fence, bollard, and HM doors & frames, installing approximately 336sf of cultured stone over brick at front elevations and around base of pylon sign, relamping the soffit lights with LEDs, and relamping the parking lot light with LED. In total, the project is estimated at \$75,913 and the applicant is requesting \$24,999 which is roughly a 33% match. Any awarded dollars would be based on a 50% match of actual costs incurred by the business up to a reimbursement of \$24,999.

All work submitted on the application is eligible for the program except parking lot lights and no cost breakdown was given for that item of work.



Current Façade



Proposed Façade

Boondocks Vintage Boutique (7402 Lamar Avenue S) – Not in a Priority Zone

Boondocks Vintage Boutique at 7402 Lamar Avenue South is a single tenant building located in Old Cottage Grove. The proposed project would replace rotting siding, level the parking lot, and add an awning to the building. In total, and without quotes submitted, the project is estimated at \$21,500 and the applicant is requesting \$10,750 which is a 50% match. Any awarded dollars would be based on a 50% match of actual costs incurred by the business up to a reimbursement of \$24,999.

Boondocks also requested design assistance. Design assistance allows applicants to apply for an additional \$2,000 (matching funds are not required) to procure a licensed design professional/architect to assist with creative design to ensure the appropriate scale and scope of the desired revitalization project for the exterior of the building. Design assistance must be requested at the time of application. If funds are given for design assistance, the design must be incorporated into the project to receive the funds.

All work submitted on the application is eligible for the program except for leveling the parking lot which is estimated at \$8,000.



Current Façade

Discussion

80th Street Crossing

Based on the program criteria and priority zones established when the program began, staff is recommending that the project submitted by 80th Street Crossing be awarded the maximum grant amount of \$24,999. The project meets the following criteria:

- Location within the City of Cottage Grove (based on priority map).
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Businesses and/or owners have not been previously awarded grant funding.

If this project is awarded funds, no grant funds would be disbursed until the project is complete. The program requires that the approved business sign a Business Subsidy Agreement which will be sent to the approved business. The business is then expected to submit copies of all receipt/invoices detailed in the project budget and photos of the completed work. After those items are completed and found to match the application then the matching grant funds of up to \$24,999 would be awarded to the applicant.

Sherwin Williams

Based on the program criteria and priority zones established when the program began, staff is recommending that the project submitted by Sherwin Williams be awarded the maximum grant amount of \$24,999. The project meets the following criteria:

- Location within the City of Cottage Grove (based on priority map).
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Businesses and/or owners have not been previously awarded grant funding.

If this project is awarded funds, no grant funds would be disbursed until the project is complete. The program requires that the approved business sign a Business Subsidy Agreement which will be sent to the approved business. The business is then expected to submit copies of all receipt/invoices detailed in the project budget and photos of the completed work. After those items are completed and found to match the application then the matching grant funds of up to \$24,999 would be awarded to the applicant.

Boondocks

Based on the program criteria and priority zones established when the program began, staff is recommending that the project submitted by Boondocks be awarded \$2,000 design assistance only. There have been numerous code enforcement issues with Boondocks. As the city is working with the business to resolve the issues and based on the lack of supporting documentation included in the application, it is recommended that they receive approval for only the design assistance at this time.

Once the business has resolved the code enforcement issues and has a formal design along with quotes from the vendor or contractor who is doing the work are submitted, it can be brought back to the EDA for review for the larger grant dollar eligibility.

Recommendation

Award VP Investments, LLC, owners of 80th Street Crossing, an award letter for the submitted project with matching funds of up to \$24,999 for any eligible expenses as part of the City of Cottage Grove Façade Improvement Grant Program.

Award Alisan LLC c/o Kin Properties, owners of the Sherwin Williams building, an award letter for the submitted project with matching funds of up to \$24,999 for any eligible expenses as part of the City of Cottage Grove Façade Improvement Grant Program.

Award Boondocks Vintage Boutique, an award letter for design assistance for the submitted project of up to \$2,000 for any design work procured by a licensed design professional to assist with the creative design for their Façade Improvement Grant Program application.

Attachments

80th Street Crossing Façade Improvement Program Application

Sherwin Williams Façade Improvement Program Application

Boondocks Vintage Boutique Façade Improvement Program Application



City of Cottage Grove Facade Improvement Application

Business/Property Owner Information

Applicant Name *	Prinesh Patel
Home Address *	8530 Eagle Point Blvd, Suite 100
City *	Lake Elmo
State *	MN
Zip Code *	55042
Home Phone	
Cell Phone *	248-346-0674
E-mail Address *	prinesh91@gmail.com

Business Information

Name of Business *	VP Investments, LLC
Business Address *	6990 80th St S. Must be a City of Cottage Grove Address
City	Cottage Grove
State	MN
Zip Code	55016
Business E-mail Address *	hayley.mochoruk@cushwake.com

Business Website *

Federal Tax Identification Number *

Business Structure * ☐ Sole Proprietorship ☐ C Corporation
☐ Partnership ☒ S Corporation
☒ Limited Liability Company ☐ Other:

For the Property to be Improved, are you: * ☒ Titled Owner ☐ Tennant, Long-Term Lease
☐ Owner on Contract for Deed ☐ Tennant, no lease
☐ Other

Proposed Project

Please give a detailed description of the proposed project: *

We would like to paint the facade to upgrade the look to a more modern look. Also, we would like to move pizza Huts sign to the building and off the roof to match the rest of the tenant signs for a cleaner look. We would also like to add some window film to some of the windows that look into Basic Needs back of house, to hide that space as well as provide a smooth clean/modern look. Finally, we would like to replace the lighting under the canopy, as it is looking a bit dingy. We want to create a bright and welcoming entrance to the tenants, as well as creating a clean/modern look.

Have you received quotes from a licensed contractor: * ☒ Yes ☐ No

Bid from a Licensed Contractor	Upload Facade Painting, Etc. updated 4.25.pdf Spectrum Signs Pizza Hut Sign Removal and Install 2-... Window Film Quote.pdf CAP Electric Quote - Canopy Lighting.docx 155.42KB 228.5KB 104.51KB 40.55KB
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Are you requesting Design Assistance? * ☒ Yes ☐ No
(max amount \$2,000 no match required)
*Design Assistance requires implementation of licensed design professional into facade improvements.

Attachments

Photo of Current Facade or Project Area *	Upload	
	Screenshot 2025-05-15 140627.jpg	233.2KB
	Screenshot 2025-05-15 140659.jpg	160.73KB
	Screenshot 2025-05-15 140750.jpg	170.22KB
Itemized Budget of Project *	Upload	
	80th Street Facade Improvement Budget Summary 4.2...	18.53KB
Evidence supporting your ability to cover 50% of project costs (i.e. bank statement, loan approval letter) *	Upload	
	80th Street Bank Statement 3.25.pdf	192.74KB
Letter of Support (If not the building owner, letter from the building owner with contact information) *	Upload	
	Grant Applicatino Approval.pdf	488.08KB
Signature *	I understand that none of the projects submitted with this application can be started before being awarded a grant through the Façade Improvement Program. Any work started before a grant is awarded by the EDA is ineligible for reimbursement. Hayley Mochoruk Please Type Full Name	
Date *	5/15/2025	
Comments		

Category	Cost
Window Film	\$ 2,036
Signage	\$ 3,440
Façade Painting/Repair	\$ 57,055
Lighting Replacement	\$ 12,658
TOTAL	\$ 75,189
Amount granted by the City	\$ 25,000
Total Amount Ownership funded	\$ 50,189

Vendor	Cost	Description
Brin Glass	\$ 2,036	Installation of window film on the windows of Basic Needs back of house.

Vendor	Cost	Description
Spectrum Signs	\$ 3,440	Move Pizza Huts sign from the roof to the façade like all other tenants.

Vendor	Cost	Description
Future City	\$ 4,622	Powerwash before new paint
Future City	\$ 3,454	Tuckpointing canopy columns and East Elevation along drive lane.
Future City	\$ 13,060	Paint building around the back and West (loading dock) side of the property.
Future City	\$ 1,817	Concrete sealer to the east elevation stone
Future City	\$ 244	Repair old sign holes by Home Choice
Future City	\$ 28,674	Paint Roof Cap and metal roofing around the building.
Future City	\$ 290	Paint bollards
Future City	\$ 110	paint south elevation standpipe/RPZ
Future City	\$ 1,368	Paint downspouts
Future City	\$ 3,416	Lift Rental
TOTAL	\$ 57,055	

Vendor	Cost	Description
Ace Electric	\$ 18,355	Replace wall packs, under canopy lighting, and can lighting
Cap Electric	\$ 12,658	Replace wall packs, under canopy lighting, and can lighting
Ready Watt	\$ 20,080	Replace wall packs, under canopy lighting, and can lighting

Re: Grant Application

From Prinesh Patel <prinesh91@gmail.com>

Date Thu 5/15/2025 1:58 PM

To Hayley Mochoruk/USA <Hayley.Mochoruk@cushwake.com>

External Mail

Hi Hayley

This is a formal approval to submit the Facade Improvements grant application with City Of Cottage Grove.

My cell number is 248-346-0674

Prinesh

On Thu, May 15, 2025 at 1:47 PM Hayley Mochoruk/USA <Hayley.Mochoruk@cushwake.com> wrote:

Hi Prinesh,

I will need your cell phone number for the grant application. Can you please send that to me.

Also, Can you please right in the body of the email that it is approved to move forward with this application. I need proof of this in order apply.

Thank you!

Hayley

Hayley Mochoruk, RPA

General Manager

Property Management

Direct: +1 763 746 3615

Mobile: +1 612 518 0807

Hayley.Mochoruk@cushwake.com



Atria Corporate Center

3033 Campus Drive, Suite W105

Plymouth, MN 55441 | USA

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<https://www.cushmanwakefield.com/en/privacy-and-cookies>

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Prinesh Patel
SAP Practice Lead



City of Cottage Grove Facade Improvement Application

Business/Property Owner Information

Applicant Name *	Alisan LLC c/o Kin Properties
Home Address *	185 NW Spanish River Blvd Suite 100
City *	Boca Raton
State *	FL
Zip Code *	33431
Home Phone	
Cell Phone *	3057661096
E-mail Address *	ssalem@kinproperties.com

Business Information

Name of Business *	Sherwin Williams (Tenant)
Business Address *	7430 E. Point Douglas Rd Must be a City of Cottage Grove Address
City	Cottage Grove
State	MN
Zip Code	55016
Business E-mail Address *	ssalem@kinproperties.com

Business Website *

https://www.sherwin-williams.com/?msockid

**Federal Tax
Identification
Number ***

136703073

Business Structure *

- ☐ Sole Proprietorship
☐ Partnership
☒ Limited Liability Company

- ☐ C Corporation
☐ S Corporation
☐ Other:

**For the Property to
be Improved, are
you: ***

- ☒ Titled Owner
☐ Owner on Contract for Deed
☐ Other

- ☐ Tenant, Long-Term Lease
☐ Tenant, no lease

Proposed Project

**Please give a
detailed description
of the proposed
project: ***

Renovate facade at the Sherwin Willaims to modernize the look.

**Have you received
quotes from a
licensed
contractor: ***

☒ Yes ☐ No

**Bid from a Licensed
Contractor**

Upload

[05.28.25_7430 Cottage Grove.pdf](#)

150.44KB



**Are you requesting
Design Assistance?

☐ Yes ☒ No

(max amount \$2,000 no match required)

*Design Assistance requires implementation of licensed design professional into facade improvements.

Attachments

Photo of Current Facade or Project Area*

Upload

Cottage.png2.4MB×

Cottage_Beige_v1.jpg222.75KB×

Itemized Budget of Project*

Upload

05.28.25_7430 Cottage Grove.pdf150.44KB×

Evidence supporting your ability to cover 50% of project costs (i.e. bank statement, loan approval letter)*

Upload

Alisan GM Stmt 3-31-25.pdf35.88KB×

Letter of Support (If not the building owner, letter from the building owner with contact information)*

Upload

Alisan GM Stmt 3-31-25.pdf35.88KB×

Signature*

I understand that none of the projects submitted with this application can be started before being awarded a grant through the Façade Improvement Program. Any work started before a grant is awarded by the EDA is ineligible for reimbursement.

Sammy Salem

Please Type Full Name

Date*

6/5/2025

Comments

Approve

Reject



PROPOSAL

May 28, 2025

Sammy Salem
Kin Properties, Inc.
185 NW Spanish River Blvd.
Boca Raton, FL 33431

Re: Exterior Improvements

Dear Mr. Salem,

We are pleased to present you with our proposal for the **Exterior Improvements** project located at **7430 E. Point Douglas Rd., Cottage Grove, MN.**

Please see the following scope of work:

Option 1:

1. Setup necessary barricades to facilitate the work
2. Power wash the exterior of the building
3. Replace damaged/rotted fascia and soffit panels as needed
4. Replace missing fencing
5. Replace/repair existing drip edge as needed
6. Tuckpoint any deteriorated mortar joints
7. Cleanout and recaulk masonry expansion joists
8. Prep, prime and paint including all four sides of building, soffit, fascia, pylon sign posts, wood fence, bollard, and HM doors & frames. Excludes painting storefront frames.
9. Install approximately 336sf of cultured stone over brick at front elevations and around base of pylon sign
10. Relamp the soffit lights with LEDs
11. Relamp the parking lot light with LED
12. General construction cleanup

Total Project: \$75,913.00

Alternates:

- a1. Replace (2) metal panels within existing storefront with clear vision glass ADD \$626.00

Qualifications:

1. Work to be performed during regular business hours
2. Price is valid for 30 days from date of proposal
3. Any work not listed above is excluded
4. Payment terms to be Net 30

Thank you,
Steiner Construction Services, Inc.



City of Cottage Grove Facade Improvement Application

Business/Property Owner Information

Applicant Name * Allison Steenberg

Home Address * 11202 72nd st s

City * Cottage Grove

State * MN

Zip Code * 55016

Home Phone 6512466533

Cell Phone * 6512466533

E-mail Address * boondocksboutique@outlook.com

Business Information

Name of Business * Boondocks Vintage Boutique

Business Address * 7402 Lamar Ave S
Must be a City of Cottage Grove Address

City Cottage Grove

State MN

Zip Code 55016

Business E-mail Address * Boondocksboutique@outlook.com

Business Website * Facebook- boondocksvintageboutique

Federal Tax Identification Number * 469153719

Business Structure *

☐ Sole Proprietorship

☐ Partnership

☒ Limited Liability Company

☐ C Corporation

☐ S Corporation

☐ Other:

For the Property to be Improved, are you: *

☒ Titled Owner

☐ Owner on Contract for Deed

☐ Other:

☐ Tenant, Long-Term Lease

☐ Tenant, no lease

Proposed Project

Please give a detailed description of the proposed project: *

Have you received quotes from a licensed contractor: *

☐ Yes ☒ No

Bid from a Licensed Contractor

Are you requesting Design Assistance? *

☒ Yes ☐ No

(max amount \$2,000 no match required)

*Design Assistance requires implementation of licensed design professional into facade improvements.

Attachments

Photo of Current Facade or Project Area * IMG_9847.jpeg 313.72KB

Itemized Budget of Project * IMG_9848.png 138.78KB

Evidence supporting your ability to cover 50% of project costs (i.e. bank statement, loan approval letter) * IMG_9849.jpeg 1.04MB

Letter of Support (If not the building owner, letter from the building owner with contact information) * IMG_9850.png 153.92KB

Signature * I understand that none of the projects submitted with this application can be started before being awarded a grant through the Façade Improvement Program. Any work started before a grant is awarded by the EDA is ineligible for reimbursement.

Allison Steenberg

Please Type Full Name

Date * 4/22/2025

 All iCloud

April 22, 2023 at 5:00 AM

Project Budget

Asphalt- \$8000

Awning -\$5000

Lighting- \$2500

Paint/wood siding replacement- \$6000





Boondocks

7402 Lamar Ave S, CG 55016

Property ID: 1202721230002

Built: 1930

TSF-1386

Lot- 54 x 123

Owner- Allison Steenberg

Number-651-246-6533





To: Economic Development Authority Board
From: Phil Jents, Communications Manager
Date: June 12, 2025
Subject: Polco National Community Survey Report

Background

All households within Cottage Grove were eligible to participate in the Polco National Community Survey (NCS). A list of all households within the zip codes serving Cottage Grove was purchased based on updated listings from the United States Postal Service. Using GIS boundary files provided by the City, addresses located outside of Cottage Grove boundaries were removed from the list of potential households to survey. From that list, 3000 addresses were randomly selected to receive the survey.

The 3000 randomly selected households received mailings beginning on March 20th, 2025, and the survey remained open for 6 weeks. The first mailing was a postcard inviting the household to participate in the survey. The next mailing contained a cover letter with instructions, the five-page survey questionnaire, and a postage-paid return envelope. Both the postcard and cover letter included a web link to give residents the opportunity to respond to the survey online. All follow-up mailings asked those who had not yet completed the survey to do so and those who had already done so to not respond twice.

The survey was available in English and Spanish. All mailings contained paragraphs in both languages instructing participants on how to complete the survey in their preferred language.

A total of 483 completed surveys were received from these efforts, providing a response rate of 16% and a margin of error of plus or minus four percentage points. We then compared the demographic profile of survey respondents to that of adults in Cottage Grove using the most recent Census and American Community Survey data and “weighted” the survey results. Weighting is a survey research best practice and helps to improve the representativeness of your survey results.

In addition to the randomly selected “probability sample” of households, a link to an online open-participation survey was publicized by the City of Cottage Grove. The open-participation survey was identical to the random sample survey, with two small updates; it asked a question to confirm the respondent was a resident of Cottage Grove and also a question about where they heard about the survey. The open-participation survey was open to all city residents and became available on April 10th, 2025. The survey remained open for three weeks.

The NCS Report has been delivered to the City of Cottage and is being presented to the Economic Development Authority.

Staff Recommendation

Receive the NCS Report from Polco containing the City of Cottage Grove’s NCS results.

Cottage Grove, MN

The National Community Survey

Report of Results
2025

Report by:



Visit us online!
www.polco.us



National Research Center at Polco is a charter member of the AAPOR Transparency Initiative, providing clear disclosure of our sound and ethical survey research practices.

About The NCS™

The National Community Survey™ (The NCS™) report is about the “livability” of Cottage Grove. A livable community is a place that is not simply habitable, but that is desirable. It is not only where people do live, but where they want to live. The NCS was developed by the experts from National Research Center at Polco in partnership with the International City/County Management Association (ICMA) and has been administered in hundreds of communities across the United States.

Great communities are partnerships of the government, private sector, community-based organizations and residents, all geographically connected. The NCS focuses on the livability of Cottage Grove by categorizing survey questions into the ten main “facets” of community livability shown below, which have been identified through years of extensive survey research as those that are most impactful to residents’ quality of life.

- Economy
- Mobility
- Community Design
- Utilities
- Safety
- Natural Environment
- Parks and Recreation
- Health and Wellness
- Education, Arts, and Culture
- Inclusivity and Engagement



The report provides the opinions of a representative sample of 483 residents of the City of Cottage Grove collected from March 20th, 2025 to May 1st, 2025. The margin of error around any reported percentage is 4% for all respondents and the response rate for the 2024 survey was 16%. Survey results were weighted so that the demographic profile of respondents was representative of the demographic profile of adults in Cottage Grove.



How the results are reported

For the most part, the percentages presented in this report represent the “percent positive.” Most commonly, the percent positive is the combination of the top two most positive response options (i.e., excellent/good, very safe/somewhat safe, etc.). On many of the questions in the survey, respondents may answer “don’t know.” The proportion of respondents giving a “don’t know” response is shown in the full set of responses included in the “complete data” section; however, these responses have been removed from the analyses presented in the main

body of the report. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

Comparisons to benchmarks

NRC's database of comparative resident opinion is comprised of resident perspectives gathered in surveys from over 500 communities whose residents evaluated the same kinds of topics on The National Community Survey. The comparison evaluations are from the most recent survey completed in each community in the last five years. NRC adds the latest results quickly upon survey completion, keeping the benchmark data fresh and relevant. The communities in the database represent a wide geographic and population range. In each tab, Cottage Grove's results are noted as being "higher" than the benchmark, "lower" than the benchmark, or "similar" to the benchmark, meaning that the average rating given by Cottage Grove residents is statistically similar to or different (greater or lesser) than the benchmark. Being rated as "higher" or "lower" than the benchmark means that Cottage Grove's average rating for a particular item was more than 10 points different than the benchmark. If a rating was "much higher" or "much lower," then Cottage Grove's average rating was more than 20 points different when compared to the benchmark.

Methods



Selecting survey recipients

All households within the City of Cottage Grove were eligible to participate in the survey. A list of all households within the zip codes serving Cottage Grove was purchased from NRC's mailing vendor, Go-Dog Direct, based on updated listings from the United States Postal Service. Since some of the zip codes that serve the City of Cottage Grove households may also serve addresses that lie outside of the community, the exact geographic location of each housing unit was compared to community boundaries using the most current municipal boundary file. Addresses located outside of Cottage Grove boundaries were removed from the list of potential households to survey. From that list, addresses were randomly selected as survey recipients, with multi-family housing units (defined as those with a unit number) sampled at a rate of 5:3 compared to single family housing units.

An individual within each household was randomly selected using the birthday method. The birthday method selects a person within the household by asking the "person who most recently had a birthday" to complete the questionnaire. The underlying assumption in this method is that day of birth has no relationship to the way people respond to surveys. This instruction was contained in the introduction of the survey.

Conducting the survey

The 3,000 randomly selected households received mailings beginning on March 20th, 2025 and data collection for the survey remained open for 6 weeks. The first mailing was a postcard inviting the household to participate in the survey. The next mailing contained a cover letter with instructions, the survey questionnaire, and a postage-paid return envelope. All mailings included a web link to give residents the opportunity to respond to the survey online, as well as QR codes to further encourage participation. All follow-up mailings asked those who had not completed the survey to do so, and those who had already done so to refrain from completing the survey again.

The survey was available in English and Spanish. All mailings contained paragraphs in both languages instructing participants on how to complete the survey in their preferred language.

About 1% of the 3,000 mailed invitations or surveys were returned because the household address was vacant or the postal service was unable to deliver the survey as addressed. Of the remaining 2,958 households that received the invitations to participate, 483 completed the survey, providing an overall response rate of 16%. The response rate was calculated using AAPOR's response rate #2 for mailed surveys of unnamed persons.¹

It is customary to describe the precision of estimates made from surveys by a "level of confidence" and accompanying "confidence interval" (or margin of error). A traditional level of confidence, and the one used here, is 95%. The 95% confidence interval can be any size and quantifies the sampling error or imprecision of the survey results because some residents' opinions are relied on to estimate all residents' opinions. The margin of error for the City of Cottage Grove survey is no greater than plus or minus four percentage points around any given percent reported for all respondents (483 completed surveys).

In addition to the randomly selected "probability sample" of households, a link to an online open-participation survey was publicized by the City of Cottage Grove. The open-participation survey was identical to the random sample survey, with two small updates; it asked a question to confirm the respondent was a resident of Cottage Grove and also a question about where they heard about the survey. The open-participation survey was open to all city residents and became available on April 10th, 2025. The survey remained open for three weeks. The data presented in the following tabs exclude the open participation survey data, but a tab at the end provides the complete frequency of responses to questions by the open-participation respondents.

Analyzing the data

Responses from mailed surveys were entered into an electronic dataset using a “key and verify” method, where all responses are entered twice and compared to each other. Any discrepancies were resolved in comparison to the original survey form. Range checks as well as other forms of quality control were also performed. Responses from surveys completed on Polco were downloaded and merged with the mailed survey responses.

The demographics of the survey respondents were compared to those found in the 2020 Census and 2023 American Community Survey estimates for adults in the City of Cottage Grove. The primary objective of weighting survey data is to make the survey respondents reflective of the larger population of the community. The characteristics used for weighting were age, sex, race, Hispanic origin, housing type, and housing tenure. No adjustments were made for design effects. Weights were calculated using an iterative, multiplicative raking model known as the ANES Weighting Algorithm.² The results of the weighting scheme for the probability sample are presented in the following table.

NRC aligns demographic labels with those used by the U.S. Census for reporting purposes, when possible. Some categories (e.g., age, race/Hispanic origin, housing type, and length of residency) are combined into smaller subgroups.

		Unweighted	Weighted	Target ⁴
Age	18-34	8%	27%	27%
	35-54	30%	39%	39%
	55+	62%	34%	34%
Hispanic origin	No, not of Hispanic, Latino/a/x, or Spanish origin	95%	93%	94%
	Yes, I consider myself to be of Hispanic, Latino/a/x, or Spanish origin	5%	7%	6%
Housing tenure	Own	91%	88%	88%
	Rent	9%	12%	12%
Housing type	Attached	19%	20%	19%
	Detached	81%	80%	81%
Race & Hispanic ori..	Not white alone	10%	21%	21%
	White alone, not Hispanic or Latino	90%	79%	79%
Sex	Man	44%	51%	51%
	Woman	56%	49%	49%
Sex/age	Man 18-34	4%	14%	14%
	Man 35-54	15%	20%	20%
	Man 55+	26%	17%	17%
	Woman 18-34	4%	13%	13%
	Woman 35-54	16%	19%	19%
	Woman 55+	35%	17%	17%

The survey datasets were analyzed using all or some of a combination of the Statistical Package for the Social Sciences (SPSS), R, Python, and Tableau. For the most part, the percentages presented in the reports represent the “percent positive.” The percent positive is the combination of the top two most positive response options (i.e., excellent/good, very safe/somewhat safe, essential/very important, etc.), or, in the case of resident behaviors/participation, the percent positive represents the proportion of respondents indicating “yes” or participating in an activity at least once a month.

On many of the questions in the survey, respondents may answer “don’t know.” The proportion of respondents giving this reply is shown in the full set of responses included in the “complete data” section. However, these responses have been removed from the analyses presented in the reports. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

Contact

The City of Cottage Grove funded this research. Please contact Phil Jents of the City of Cottage Grove at pjents@cottagegrovemn.gov if you have any questions about the survey.

Study Limitations

All public opinion research is subject to unmeasured error. While the methodologies employed for this survey were designed to minimize this error as much as possible, these other sources of potential error should be acknowledged, and can include non-response error, coverage error, recall bias and social desirability bias. Non-response error arises when those who were selected to participate in the survey did not do so, and may have different opinions or experiences than survey responders. For general resident surveys, where the results are meant to be generalized to the entire adult population living in households, the mailing lists based on the Delivery Sequence File from the United States Post Office may exclude certain types of housing units, such as those in multi-family buildings where mail is addressed to a named resident at the address rather than to a specific unit or where residents only receive their mail at a post office box and the geographic location of a residence cannot be determined, there may be a coverage error, although for most locations, this is minimal. Respondents may not perfectly remember their experiences in the past year (such as participation in social or civic events, for example), and for some survey items, they may answer in ways they think cast their responses in a more favorable light (recall bias and social desirability bias).

Survey Validity

See the Polco Knowledge Base article on survey validity at <https://blog.polco.us/polco-knowledgebase/margin-of-error-and-confidence-level-in-survey-results>

1. See AAPOR's Standard Definitions for more information at <https://aapor.org/standards-and-ethics/standard-definitions/>
2. Pasek, J. (2014). ANES Weighting Algorithm. Retrieved from <https://surveyinsights.org/wp-content/uploads/2014/07/Full-anesrake-paper.pdf>
3. Targets come from the 2020 Census and 2023 American Community Survey

Key Findings

Highest-performing areas:

- Residents shared very high levels of safety in Cottage Grove, with over 9 in 10 residents reporting feeling safe in their neighborhood and Cottage Grove's commercial areas during the day, as well as from violent crime. High ratings were also provided for both Police services and crime prevention, both of which ranked higher than the national benchmark average. Along with these high ratings, residents also rated safety as the most important area of focus in the coming two years, marking the facet of safety as both a priority and an asset for Cottage Grove.
- Many ratings related to mobility and mobility-related services were identified as unique strengths for Cottage Grove. Higher-than-average ratings were given for:
 - Ease of travel by car (87% positive)
 - Availability of paths and walking trails (86%)
 - Ease of public parking (82%)
 - Street cleaning (79%)
 - Snow removal (77%)
 - Sidewalk maintenance (75%)
 - Ease of walking (73%)
 - Traffic flow on major streets (73%)
 - Ease of travel by bicycle (71%)
 - Street repair (61%)
- In contrast to national sentiments, ratings for both the variety of housing options and the availability of affordable quality housing both ranked higher than the national benchmark.

Potential Areas of Focus:

- Ratings for overall opportunities for education, culture, and the arts, as well as community support for the arts and opportunities to attend cultural/arts/music activities each ranked lower than the benchmark, although residents also shared relatively lower levels of importance for focus in these areas.
- Focus on the economy was rated as essential or very important by 86% of residents, while 59% of residents offered excellent or good ratings for the overall economic health of Cottage Grove. Highlighting particular areas of concern, lower-than-average ratings were given for Cottage Grove as a place to work, Cottage Grove as a place to visit, and the variety of business and service establishments.
- Residents placed a high importance on focusing on the overall quality of the utility infrastructure in the coming two years, and pointed towards drinking water as an area of potential improvement, for which about half of residents offered positive ratings.

Other notable results:

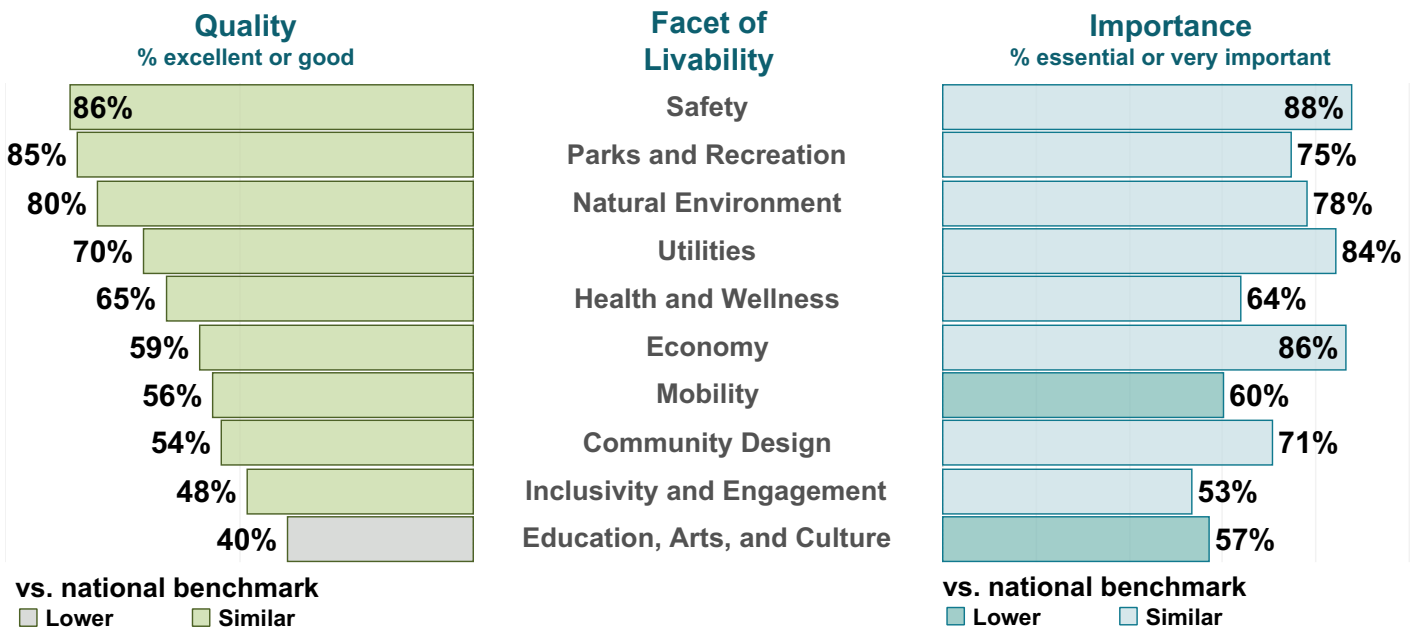
- When asked how they felt regarding taxes and services in Cottage Grove, 34% of residents were satisfied with the current level of taxes and services, 32% felt that they pay too much for the services they received, 15% were willing to accept service reductions if it means lower taxes, and 11% were willing to pay more taxes to get more services.
- An additional custom question developed by the City of Cottage Grove sought insight into longer-term focus for the City. Among the options provided, residents placed the largest priorities on focusing on the following in the coming five years:
 - Utilities (97% high or medium priority)
 - Fire & EMS (93%)
 - Transportation (91%)
 - Police (91%)
 - Economic Prosperity (88%)

Facets of Livability

Every jurisdiction must balance limited resources while meeting resident needs and striving to optimize community livability. To this end, it is helpful to know what aspects of the community are most important to residents and which they perceive as being of higher or lower quality. It is especially helpful to know when a facet of livability is considered of high importance but rated as lower quality, as this should be a top priority to address.

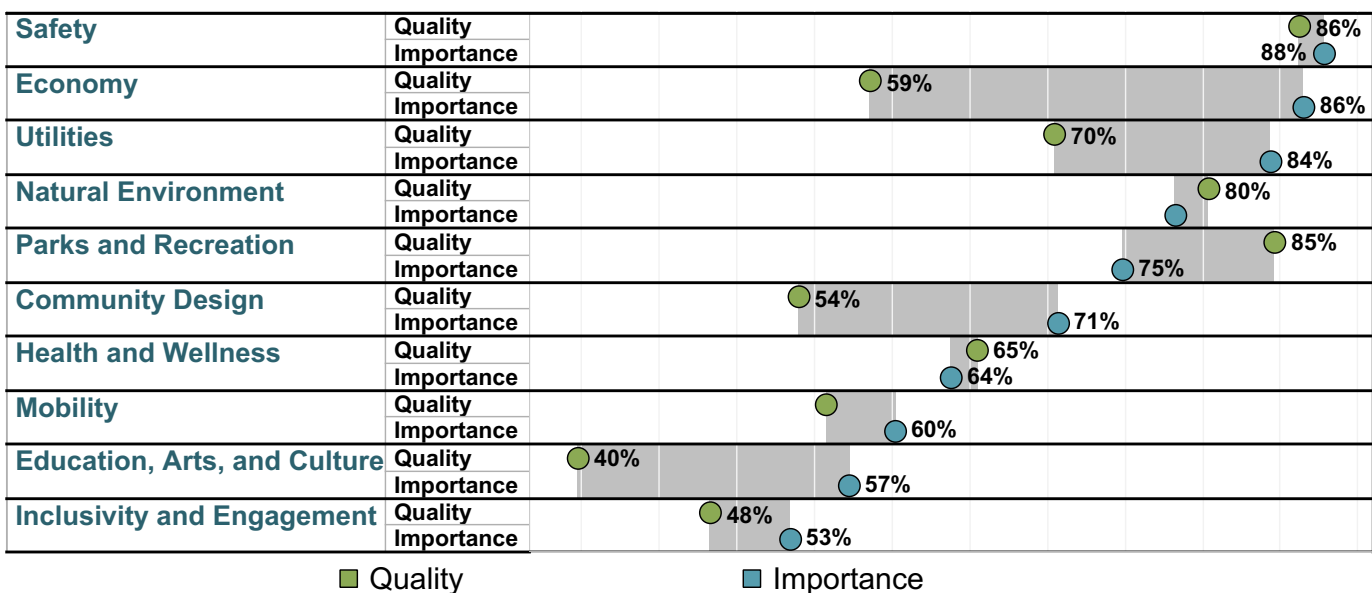
Quality and Importance by the Numbers

The table below shows the proportion of residents who rated the community facets positively for quality and the priority (importance) placed on each. Also displayed is whether local quality ratings were lower, similar, or higher than communities across the country (the national benchmark).



Quality/Importance Gap Analysis

The gap analysis chart below shows the same data as above; however, this chart more clearly illustrates the comparative differences in quality and importance ratings for each facet, as well as the absolute ratings for each.

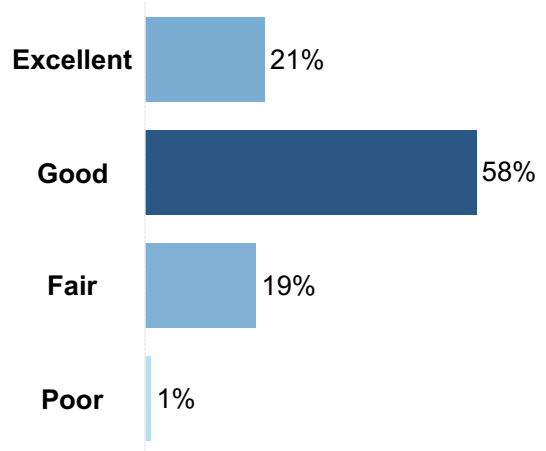




Quality of Life

Measuring community livability starts with assessing the quality of life of those who live there, and ensuring that the community is attractive, accessible, and welcoming to all.

The overall quality of life in Cottage Grove, 2025



Please rate each of the following aspects of quality of life in Cottage Grove.
(% excellent or good)

vs.
benchmark⁷

Cottage Grove as a place to live	87%	Similar
The overall quality of life in Cottage Grove	80%	Similar

Please indicate how likely or unlikely you are to do each of the following.
(% very or somewhat likely)

Recommend living in Cottage Grove to someone who asks	86%	Similar
Remain in Cottage Grove for the next five years	85%	Similar

Please rate each of the following in the Cottage Grove community.
(% excellent or good)

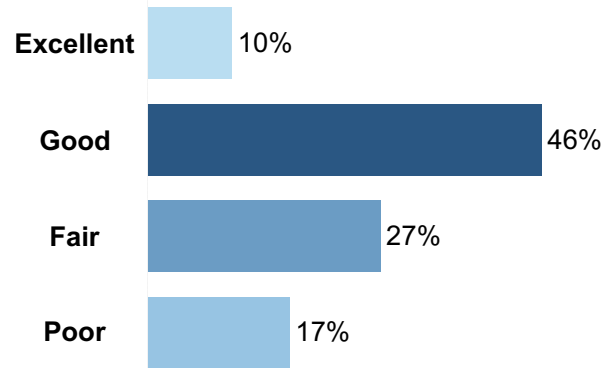
Overall image or reputation of Cottage Grove	62%	Similar
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7. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Governance

Strong local governments produce results that meet the needs of residents while making the best use of available resources, and are responsive to the present and future needs of the community as a whole.

Overall confidence in Cottage Grove government, 2025



Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

vs.
benchmark^a

Overall customer service by Cottage Grove employees (police, receptionists, planners, etc.)	89%	Similar
Public information services	73%	Similar

Please rate the following categories of Cottage Grove government performance.
(% excellent or good)

Treating residents with respect	75%	Similar
Treating all residents fairly	68%	Similar
Being honest	64%	Similar
Informing residents about issues facing the community	62%	Similar
Being open and transparent to the public	60%	Similar
Generally acting in the best interest of the community	59%	Similar
Overall confidence in Cottage Grove government	56%	Similar
The value of services for the taxes paid to Cottage Grove	54%	Similar
The overall direction that Cottage Grove is taking	53%	Similar
The job Cottage Grove government does at welcoming resident involvement	52%	Similar

Overall, how would you rate the quality of the services provided by each of the following?
 (% excellent or good)

The City of Cottage Grove	78%	Similar
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Please indicate whether or not you have done each of the following in the last 12 months.
 (% excellent or good)

Contacted the City of Cottage Grove (in-person, phone, email, or web) for help or information	54%	Similar
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Watched (online or on television) a local public meeting	28%	Similar
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Contacted Cottage Grove elected officials (in-person, phone, email, or web) to express your opinion	13%	Similar
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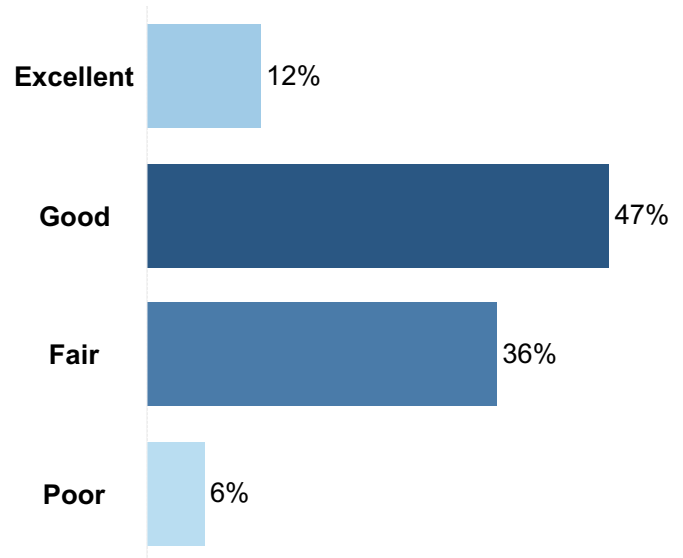
Attended a local public meeting (of local elected officials like City Council or County Commissioners, advisory boards, town halls, etc.)	11%	Similar
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8. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Economy

Local governments work together with private and nonprofit businesses, and with the community at large, to foster sustainable growth, create jobs, and promote a thriving local economy.

Overall economic health of Cottage Grove, 2025



Please rate each of the following aspects of quality of life in Cottage Grove.
(% excellent or good)

		vs. benchmark ^a
Cottage Grove as a place to work	49%	Lower
Cottage Grove as a place to visit	35%	Much lower

Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

Overall economic health of Cottage Grove	59%	Similar
--	-----	---------

Please rate each of the following in the Cottage Grove community.
(% excellent or good)

Overall quality of business and service establishments in Cottage Grove	58%	Similar
Cost of living in Cottage Grove	47%	Similar
Vibrancy of commercial areas	44%	Similar
Shopping opportunities	37%	Similar
Variety of business and service establishments in Cottage Grove	36%	Lower
Employment opportunities	29%	Similar

Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

Economic development

56%

Similar

What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:
(% very or somewhat positive)

What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:

18%

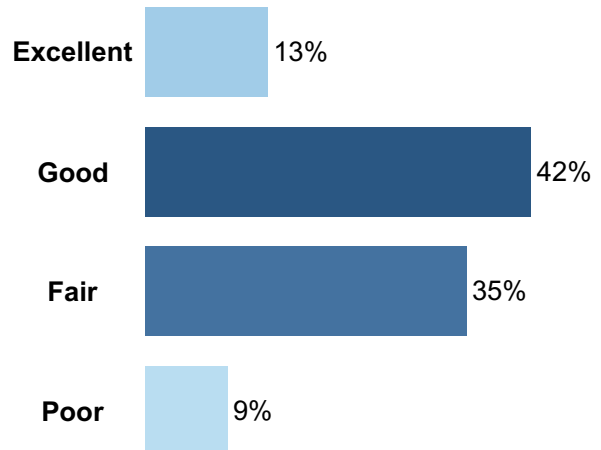
Similar

9. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Overall quality of the transportation system in Cottage Grove, 2025

Mobility

The ease with which residents can move about their communities, whether for commuting, leisure, or recreation, plays a major role in the quality of life for all who live, work, and play in the community.



Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

		vs. benchmark ¹⁰
Overall quality of the transportation system (auto, bicycle, foot, bus) in Cottage Grove	56%	Similar

Please also rate each of the following in the Cottage Grove community.
(% excellent or good)

Ease of travel by car in Cottage Grove	87%	Higher
Ease of public parking	82%	Higher
Ease of walking in Cottage Grove	73%	Higher
Traffic flow on major streets	73%	Higher
Ease of travel by bicycle in Cottage Grove	71%	Higher
Ease of travel by public transportation in Cottage Grove	24%	Similar

Please indicate whether or not you have done each of the following in the last 12 months.
(% yes)

Walked or biked instead of driving	56%	Similar
Carpooled with other adults or children instead of driving alone	47%	Similar
Used bus or other public transportation instead of driving	9%	Lower

Please rate the quality of each of the following services in Cottage Grove.
 (% excellent or good)

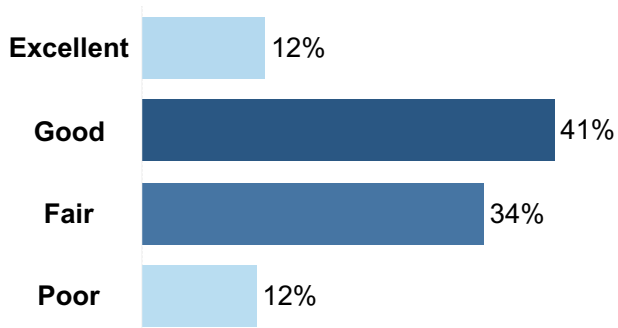
Street cleaning	79%	Higher
Snow removal	77%	Higher
Sidewalk maintenance	75%	Higher
Street lighting	69%	Similar
Traffic enforcement	67%	Similar
Street repair	61%	Higher
Traffic signal timing	59%	Similar
Bus or transit services	38%	Similar

10. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Community Design

A well-designed community enhances the quality of life for its residents by encouraging smart land use and zoning, ensuring that affordable housing is accessible to all, and providing access to parks and other green spaces.

Overall design or layout of Cottage Grove's residential and commercial areas, 2025



Please rate each of the following aspects of quality of life in Cottage Grove.
(% excellent or good)

vs.
benchmark¹¹

Your neighborhood as a place to live	89%	Similar
--------------------------------------	-----	---------

Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

Overall design or layout of Cottage Grove's residential and commercial areas (e.g., homes, buildings, streets..)	54%	Similar
--	-----	---------

Please also rate each of the following in the Cottage Grove community.
(% excellent or good)

Overall appearance of Cottage Grove	71%	Similar
Variety of housing options	63%	Higher
Overall quality of new development in Cottage Grove	58%	Similar
Well-planned residential growth	57%	Similar
Well-designed neighborhoods	56%	Similar
Public places where people want to spend time	53%	Similar
Well-planned commercial growth	41%	Similar
Preservation of the historical or cultural character of the community	41%	Lower
Availability of affordable quality housing	39%	Higher

Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

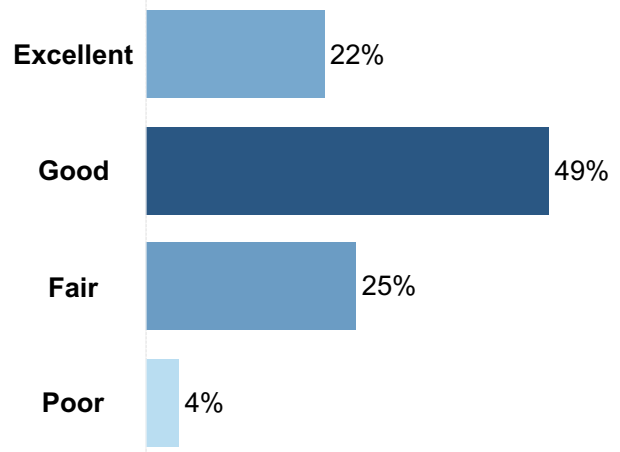
Code enforcement (weeds, abandoned buildings, etc.)	53%	Similar
Land use, planning, and zoning	46%	Similar

11. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Utilities

Services such as water, gas, electricity, and internet access play a vital role in ensuring the physical and economic health and well-being of the communities they serve.

Overall quality of the utility infrastructure in Cottage Grove, 2025



Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

		vs. benchmark ¹²
Garbage collection	88%	Similar
Sewer services	80%	Similar
Storm water management (storm drainage, etc.)	79%	Similar
Power (electric and/or gas) utility	77%	Similar
Utility billing	69%	Similar
Affordable high-speed internet access	58%	Similar
Drinking water	48%	Lower

Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

Overall quality of the utility infrastructure in Cottage Grove (water, sewer, storm water, etc.)	70%	Similar
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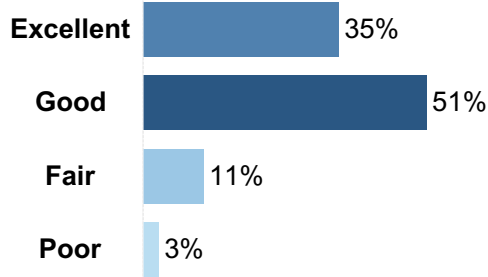
12. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.



Safety

Public safety is often the most important task facing local governments. All residents should feel safe and secure in their neighborhoods and in the greater community, and providing robust safety-related services is essential to residents' quality of life.

Overall feeling of safety in Cottage Grove, 2025



Please rate each of the following characteristics as they relate to Cottage Grove as a whole.

(% excellent or good)

vs.
benchmark¹³

Overall feeling of safety in Cottage Grove	86%	Similar
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Please rate how safe or unsafe you feel:

(% very or somewhat safe)

In your neighborhood during the day	95%	Similar
From violent crime	92%	Similar
In Cottage Grove's commercial areas during the day	91%	Similar
From fire, flood, or other natural disaster	89%	Similar
From property crime	85%	Similar

Please rate the quality of each of the following services in Cottage Grove.

(% excellent or good)

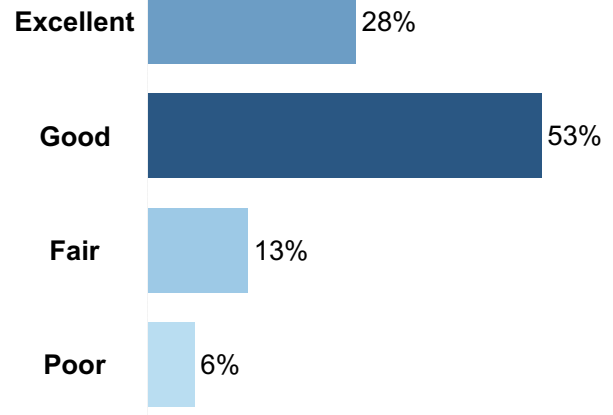
Fire services	91%	Similar
Police services	89%	Higher
Ambulance or emergency medical services	87%	Similar
Crime prevention	86%	Higher
Fire prevention and education	84%	Similar
Animal control	80%	Similar
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	68%	Similar

13. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Natural Environment

The natural environment plays a vital role in the health and well-being of residents. The natural spaces in which residents live and experience their communities has a direct and profound effect on quality of life.

Overall quality of natural environment in Cottage Grove, 2025



Please rate each of the following characteristics as they relate to Cottage Grove as a whole. **(% excellent or good)** vs. benchmark¹⁴

Overall quality of natural environment in Cottage Grove	80%	Similar
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Please also rate each of the following in the Cottage Grove community. **(% excellent or good)**

Cleanliness of Cottage Grove	83%	Similar
Air quality	80%	Similar
Water resources (lakes, ponds, riverways, etc.)	65%	Similar

Please rate the quality of each of the following services in Cottage Grove. **(% excellent or good)**

Recycling	83%	Higher
Yard waste pick-up	69%	Similar
Cottage Grove open space	63%	Similar
Preservation of natural areas (open space, farmlands, and greenbelts)	62%	Similar

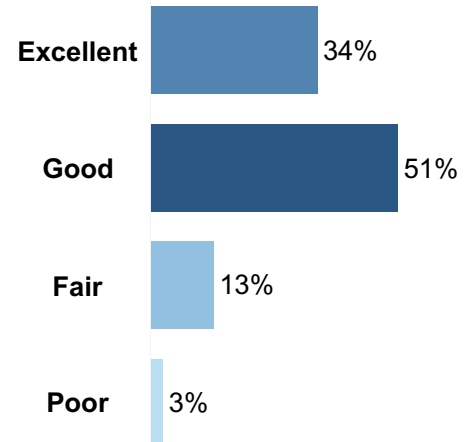
¹⁴. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Overall quality of the parks and recreation opportunities, 2025

Parks and Recreation

"There are no communities that pride themselves on their quality of life, promote themselves as a desirable location for businesses to relocate, or maintain that they are environmental stewards of their natural resources, without such communities having a robust, active system of parks and recreation programs for public use and enjoyment."

- National Recreation and Park Association



Please rate each of the following characteristics as they relate to Cottage Grove as a whole.

(% excellent or good)

vs.
benchmark¹⁵

Overall quality of parks and recreation opportunities	85%	Similar
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Please also rate each of the following in the Cottage Grove community.

(% excellent or good)

Availability of paths and walking trails	86%	Higher
Fitness opportunities (including exercise classes and paths or trails, etc.)	72%	Similar
Recreational opportunities	62%	Similar

Please rate the quality of each of the following services in Cottage Grove.

(% excellent or good)

City parks	88%	Similar
Recreation programs or classes	69%	Similar
Recreation centers or facilities	57%	Similar

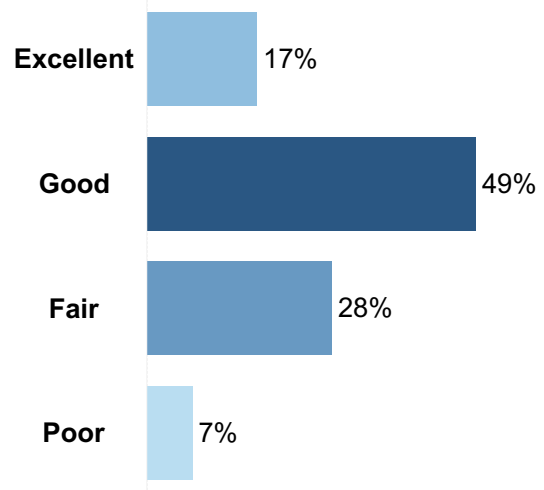
¹⁵. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.



Health and Wellness

The characteristics of and amenities available in the communities in which people live has a direct impact on the health and wellness of residents, and thus, on their quality of life overall.

Overall health and wellness opportunities in Cottage Grove, 2025



Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

vs.
benchmark¹⁶

Overall health and wellness opportunities in Cottage Grove

65%

Similar

Please also rate each of the following in the Cottage Grove community.
(% excellent or good)

Availability of affordable quality food

61%

Similar

Availability of preventive health services

59%

Similar

Availability of affordable quality health care

54%

Similar

Availability of affordable quality mental health care

35%

Similar

Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

Health services

63%

Similar

Please rate your overall health.
(% excellent or very good)

Please rate your overall health.

75%

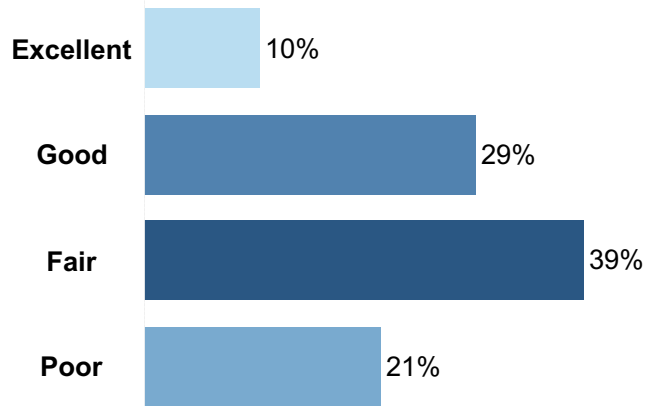
Similar

¹⁶. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Education, Arts, and Culture

Participation in the arts, in educational opportunities, and in cultural activities is linked to increased civic engagement, greater social tolerance, and enhanced enjoyment of the local community.

Overall opportunities for education, culture and the arts, 2025



Please rate each of the following characteristics as they relate to Cottage Grove as a whole. **vs. benchmark¹⁷**
(% excellent or good)

Overall opportunities for education, culture, and the arts	40%	Lower
--	-----	-------

Please also rate each of the following in the Cottage Grove community.
(% excellent or good)

K-12 education	64%	Similar
Opportunities to attend special events and festivals	53%	Similar
Adult educational opportunities	48%	Similar
Availability of affordable quality childcare/preschool	39%	Similar
Community support for the arts	33%	Lower
Opportunities to attend cultural/arts/music activities	23%	Much lower

Please rate the quality of each of the following services in Cottage Grove.
(% excellent or good)

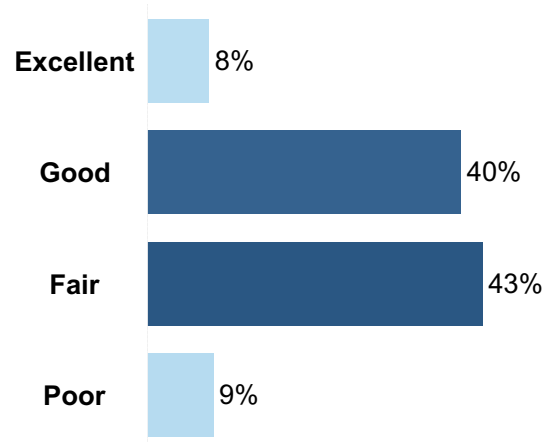
Public library services	79%	Similar
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¹⁷. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Residents' connection and engagement with their community, 2025

Inclusivity and Engagement

Inclusivity refers to a cultural and environmental feeling of belonging; residents who feel invited to participate within their communities feel more included, involved, and engaged than those who do not.



Please rate each of the following aspects of quality of life in Cottage Grove.
(% excellent or good)

vs.
benchmark¹⁸

Cottage Grove as a place to raise children	86%	Similar
Cottage Grove as a place to retire	60%	Similar
Sense of community	57%	Similar

Please rate each of the following characteristics as they relate to Cottage Grove as a whole.
(% excellent or good)

Residents' connection and engagement with their community	48%	Similar
---	-----	---------

Please rate the job you feel the Cottage Grove community does at each of the following.
(% excellent or good)

Making all residents feel welcome	72%	Similar
Valuing/respecting residents from diverse backgrounds	71%	Similar
Attracting people from diverse backgrounds	70%	Similar
Taking care of vulnerable residents (elderly, disabled, homeless, etc.)	68%	Similar

Please also rate each of the following in the Cottage Grove community.
(% excellent or good)

Neighborliness of residents in Cottage Grove	64%	Similar
Openness and acceptance of the community toward people of diverse backgrounds	60%	Similar

Opportunities to participate in community matters	57%	Similar
Opportunities to volunteer	56%	Similar
Sense of civic/community pride	53%	Similar
Opportunities to participate in social events and activities	50%	Similar

Please indicate whether or not you have done each of the following in the last 12 months.
 (% excellent or good)

Volunteered your time to some group/activity in Cottage Grove	23%	Similar
Campaigned or advocated for a local issue, cause, or candidate	12%	Similar

18. Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Custom Questions



Below are the complete set of responses to each custom question on the survey. By default, “don’t know” responses are excluded, but may be added to the table using the response filter below.

Custom	Please select the statement that best describes your opinion as it relates to taxes and services in Cottage Grove.	I am satisfied with the current level of taxes and ..		34%
		I am willing to pay more taxes to get more services.		11%
		I feel that I pay too much for the services I receive.		32%
		I am willing to accept service reductions if it me..		15%
		My opinion is different from the ones listed above.		3%
		I don't have an opinion / no preference.		5%
Please rate how much of a priority, if at all, the City of Cottage Grove should place on each of the following aspects of the community in the coming five years.	Transportation (e.g. safe/well maintained roads, sidewalks, bridges)	High priority		48%
		Medium priority		43%
		Low priority		8%
		Not a priority		2%
	Utilities (e.g. safe/reliable drinking water, sanitary sewer)	High priority		80%
		Medium priority		17%
		Low priority		3%
		Not a priority		0%
	Police (e.g. criminal law enforcement, community safety)	High priority		66%
		Medium priority		25%
		Low priority		8%
		Not a priority		1%
	Parks (e.g. well-maintained parks/landscape areas, sports facilities)	High priority		33%
		Medium priority		51%
		Low priority		14%
		Not a priority		2%

Custom	Please rate how much of a priority, if at all, the City of Cottage Grove should place on each of the following aspects of the community in the coming five years.	Open Space & Trails (e.g. preserving native plants, wildlife and scenic vistas)	High priority		37%
			Medium priority		42%
			Low priority		18%
			Not a priority		3%
		Recreation (e.g. high quality, reasonably priced recreation/leisure activities)	High priority		27%
			Medium priority		43%
			Low priority		26%
			Not a priority		4%
		Fire & EMS (e.g. response times, community risk reduction)	High priority		68%
			Medium priority		25%
			Low priority		7%
			Not a priority		0%
		Affordable Housing (e.g. senior, income restricted)	High priority		29%
			Medium priority		32%
			Low priority		26%
			Not a priority		13%
		Economic Prosperity (e.g. promoting a thriving business, retail, and restaurant climate)	High priority		53%
			Medium priority		35%
			Low priority		10%
			Not a priority		2%
		Administration & Support Services (e.g. effective and efficient governance)	High priority		28%
			Medium priority		44%
			Low priority		25%
			Not a priority		3%
		Environmental Sustainability (e.g. promoting efficiency, reducing environmental impacts, and improving stormwater systems)	High priority		32%

Custom	Please rate how much of a priority, if at all, the City of Cottage Grove should place on each of the following aspects of the community in the coming five years.	Environmental Sustainability (e.g. promoting efficiency, reducing environmental impacts, and improving stormwater systems)	Medium priority		52%
			Low priority		13%
			Not a priority		3%
	What is your race? (Mark one or more races to indicate what race you consider yourself to be.)		American Indian or Alaska Native		2%
			Asian		5%
			Black or African American		4%
			White		80%
			A race not listed		9%

The City of Cottage Grove 2025 Community Survey

Please complete this survey if you are the adult (age 18 or older) in the household who most recently had a birthday (the year of birth does not matter). Your responses are confidential and no identifying information will be shared.

1. Please rate each of the following aspects of quality of life in Cottage Grove.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Cottage Grove as a place to live	1	2	3	4	5
Your neighborhood as a place to live	1	2	3	4	5
Cottage Grove as a place to raise children	1	2	3	4	5
Cottage Grove as a place to work.....	1	2	3	4	5
Cottage Grove as a place to visit.....	1	2	3	4	5
Cottage Grove as a place to retire	1	2	3	4	5
The overall quality of life in Cottage Grove	1	2	3	4	5
Sense of community.....	1	2	3	4	5

2. Please rate each of the following characteristics as they relate to Cottage Grove as a whole.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Overall economic health of Cottage Grove.....	1	2	3	4	5
Overall quality of the transportation system (auto, bicycle, foot, bus) in Cottage Grove.....	1	2	3	4	5
Overall design or layout of Cottage Grove's residential and commercial areas (e.g., homes, buildings, streets, parks, etc.)	1	2	3	4	5
Overall quality of the utility infrastructure in Cottage Grove..... (water, sewer, storm water, etc.).....	1	2	3	4	5
Overall feeling of safety in Cottage Grove	1	2	3	4	5
Overall quality of natural environment in Cottage Grove	1	2	3	4	5
Overall quality of parks and recreation opportunities.....	1	2	3	4	5
Overall health and wellness opportunities in Cottage Grove	1	2	3	4	5
Overall opportunities for education, culture, and the arts.....	1	2	3	4	5
Residents' connection and engagement with their community	1	2	3	4	5

3. Please indicate how likely or unlikely you are to do each of the following.

	<u>Very likely</u>	<u>Somewhat likely</u>	<u>Somewhat unlikely</u>	<u>Very unlikely</u>	<u>Don't know</u>
Recommend living in Cottage Grove to someone who asks	1	2	3	4	5
Remain in Cottage Grove for the next five years	1	2	3	4	5

4. Please rate how safe or unsafe you feel:

	<u>Very safe</u>	<u>Somewhat safe</u>	<u>Neither safe nor unsafe</u>	<u>Somewhat unsafe</u>	<u>Very unsafe</u>	<u>Don't know</u>
In your neighborhood during the day.....	1	2	3	4	5	6
In Cottage Grove's commercial areas during the day.....	1	2	3	4	5	6
From property crime.....	1	2	3	4	5	6
From violent crime.....	1	2	3	4	5	6
From fire, flood, or other natural disaster	1	2	3	4	5	6

5. Please rate the job you feel the Cottage Grove community does at each of the following.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Making all residents feel welcome	1	2	3	4	5
Attracting people from diverse backgrounds.....	1	2	3	4	5
Valuing/respecting residents from diverse backgrounds.....	1	2	3	4	5
Taking care of vulnerable residents (elderly, disabled, homeless, etc.).....	1	2	3	4	5

6. Please rate each of the following in the Cottage Grove community.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Overall quality of business and service establishments in Cottage Grove	1	2	3	4	5
Variety of business and service establishments in Cottage Grove	1	2	3	4	5
Vibrancy of commercial areas	1	2	3	4	5
Employment opportunities	1	2	3	4	5
Shopping opportunities	1	2	3	4	5
Cost of living in Cottage Grove	1	2	3	4	5
Overall image or reputation of Cottage Grove.....	1	2	3	4	5

7. Please also rate each of the following in the Cottage Grove community.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Traffic flow on major streets.....	1	2	3	4	5
Ease of public parking.....	1	2	3	4	5
Ease of travel by car in Cottage Grove	1	2	3	4	5
Ease of travel by public transportation in Cottage Grove	1	2	3	4	5
Ease of travel by bicycle in Cottage Grove	1	2	3	4	5
Ease of walking in Cottage Grove.....	1	2	3	4	5
Well-planned residential growth.....	1	2	3	4	5
Well-planned commercial growth.....	1	2	3	4	5
Well-designed neighborhoods.....	1	2	3	4	5
Preservation of the historical or cultural character of the community	1	2	3	4	5
Public places where people want to spend time	1	2	3	4	5
Variety of housing options.....	1	2	3	4	5
Availability of affordable quality housing.....	1	2	3	4	5
Overall quality of new development in Cottage Grove	1	2	3	4	5
Overall appearance of Cottage Grove.....	1	2	3	4	5
Cleanliness of Cottage Grove.....	1	2	3	4	5
Water resources (lakes, ponds, riverways, etc.)	1	2	3	4	5
Air quality.....	1	2	3	4	5
Availability of paths and walking trails.....	1	2	3	4	5
Fitness opportunities (including exercise classes and paths or trails, etc.) ...	1	2	3	4	5
Recreational opportunities.....	1	2	3	4	5
Availability of affordable quality food	1	2	3	4	5
Availability of affordable quality health care.....	1	2	3	4	5
Availability of preventive health services.....	1	2	3	4	5
Availability of affordable quality mental health care	1	2	3	4	5
Opportunities to attend cultural/arts/music activities	1	2	3	4	5
Community support for the arts.....	1	2	3	4	5
Availability of affordable quality childcare/preschool.....	1	2	3	4	5
K-12 education.....	1	2	3	4	5
Adult educational opportunities	1	2	3	4	5
Sense of civic/community pride.....	1	2	3	4	5
Neighborliness of residents in Cottage Grove	1	2	3	4	5
Opportunities to participate in social events and activities	1	2	3	4	5
Opportunities to attend special events and festivals	1	2	3	4	5
Opportunities to volunteer	1	2	3	4	5
Opportunities to participate in community matters	1	2	3	4	5
Openness and acceptance of the community toward people of diverse backgrounds.....	1	2	3	4	5

8. Please indicate whether or not you have done each of the following in the last 12 months.

	<u>No</u>	<u>Yes</u>
Contacted the City of Cottage Grove (in-person, phone, email, or web) for help or information	1	2
Contacted Cottage Grove elected officials (in-person, phone, email, or web) to express your opinion.....	1	2
Attended a local public meeting (of local elected officials like City Council or County Commissioners, advisory boards, town halls, etc.)	1	2
Watched (online or on television) a local public meeting.....	1	2
Volunteered your time to some group/activity in Cottage Grove	1	2
Campaigned or advocated for a local issue, cause, or candidate.....	1	2
Voted in your most recent local election	1	2
Used bus or other public transportation instead of driving.....	1	2
Carpooled with other adults or children instead of driving alone	1	2
Walked or biked instead of driving.....	1	2

The City of Cottage Grove 2025 Community Survey

9. Please rate the quality of each of the following services in Cottage Grove.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
Public information services.....	1	2	3	4	5
Economic development.....	1	2	3	4	5
Traffic enforcement	1	2	3	4	5
Traffic signal timing.....	1	2	3	4	5
Street repair	1	2	3	4	5
Street cleaning.....	1	2	3	4	5
Street lighting	1	2	3	4	5
Snow removal.....	1	2	3	4	5
Sidewalk maintenance.....	1	2	3	4	5
Bus or transit services	1	2	3	4	5
Land use, planning, and zoning.....	1	2	3	4	5
Code enforcement (weeds, abandoned buildings, etc.)	1	2	3	4	5
Affordable high-speed internet access	1	2	3	4	5
Garbage collection	1	2	3	4	5
Drinking water	1	2	3	4	5
Sewer services.....	1	2	3	4	5
Storm water management (storm drainage, etc.)	1	2	3	4	5
Power (electric and/or gas) utility.....	1	2	3	4	5
Utility billing	1	2	3	4	5
Police services	1	2	3	4	5
Crime prevention	1	2	3	4	5
Animal control.....	1	2	3	4	5
Ambulance or emergency medical services	1	2	3	4	5
Fire services	1	2	3	4	5
Fire prevention and education.....	1	2	3	4	5
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	1	2	3	4	5
Preservation of natural areas (open space, farmlands, and greenbelts)	1	2	3	4	5
Cottage Grove open space	1	2	3	4	5
Recycling.....	1	2	3	4	5
Yard waste pick-up.....	1	2	3	4	5
City parks.....	1	2	3	4	5
Recreation programs or classes	1	2	3	4	5
Recreation centers or facilities	1	2	3	4	5
Health services.....	1	2	3	4	5
Public library services	1	2	3	4	5
Overall customer service by Cottage Grove employees (police, receptionists, planners, etc.)	1	2	3	4	5

10. Please rate the following categories of Cottage Grove government performance.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
The value of services for the taxes paid to Cottage Grove.....	1	2	3	4	5
The overall direction that Cottage Grove is taking.....	1	2	3	4	5
The job Cottage Grove government does at welcoming resident involvement..	1	2	3	4	5
Overall confidence in Cottage Grove government.....	1	2	3	4	5
Generally acting in the best interest of the community	1	2	3	4	5
Being honest.....	1	2	3	4	5
Being open and transparent to the public.....	1	2	3	4	5
Informing residents about issues facing the community	1	2	3	4	5
Treating all residents fairly	1	2	3	4	5
Treating residents with respect	1	2	3	4	5

11. Overall, how would you rate the quality of the services provided by each of the following?

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>
The City of Cottage Grove.....	1	2	3	4	5

12. Please rate how important, if at all, you think it is for the Cottage Grove community to focus on each of the following in the coming two years.

	<u>Essential</u>	<u>Very important</u>	<u>Somewhat important</u>	<u>Not at all important</u>
Overall economic health of Cottage Grove.....	1	2	3	4
Overall quality of the transportation system (auto, bicycle, foot, bus) in Cottage Grove.....	1	2	3	4
Overall design or layout of Cottage Grove's residential and commercial areas (e.g., homes, buildings, streets, parks, etc.)	1	2	3	4
Overall quality of the utility infrastructure in Cottage Grove (water, sewer, storm water, electric/gas, broadband)	1	2	3	4
Overall feeling of safety in Cottage Grove	1	2	3	4
Overall quality of natural environment in Cottage Grove	1	2	3	4
Overall quality of parks and recreation opportunities	1	2	3	4
Overall health and wellness opportunities in Cottage Grove	1	2	3	4
Overall opportunities for education, culture, and the arts.....	1	2	3	4
Residents' connection and engagement with their community	1	2	3	4

13. Please select the statement that best describes your opinion as it relates to taxes and services in Cottage Grove.

- ☐ I am satisfied with the current level of taxes and services.
- ☐ I am willing to pay more taxes to get more services.
- ☐ I feel that I pay too much for the services I receive.
- ☐ I am willing to accept service reductions if it means lower taxes.
- ☐ My opinion is different from the ones listed above.
- ☐ I don't have an opinion / no preference.

14. Please rate how much of a priority, if at all, the City of Cottage Grove should place on each of the following aspects of the community in the coming five years.

	<u>High priority</u>	<u>Medium priority</u>	<u>Low priority</u>	<u>Not a priority</u>	<u>Don't know</u>
Transportation (e.g. safe/well maintained roads, sidewalks, bridges)	1	2	3	4	5
Utilities (e.g. safe/reliable drinking water, sanitary sewer)	1	2	3	4	5
Police (e.g. criminal law enforcement, community safety)	1	2	3	4	5
Parks (e.g. well-maintained parks/landscape areas, sports facilities)	1	2	3	4	5
Open Space & Trails (e.g. preserving native plants, wildlife and scenic vistas)	1	2	3	4	5
Recreation (e.g. high quality, reasonably priced recreation/leisure activities)	1	2	3	4	5
Fire & EMS (e.g. response times, community risk reduction)	1	2	3	4	5
Affordable Housing (e.g. senior, income restricted)	1	2	3	4	5
Economic Prosperity (e.g. promoting a thriving business, retail, and restaurant climate)	1	2	3	4	5
Administration & Support Services (e.g. effective and efficient governance)	1	2	3	4	5
Environmental Sustainability (e.g. promoting efficiency, reducing environmental impacts, and improving stormwater systems)	1	2	3	4	5

15. Is there anything you would like to see improved or added to our community?

16. Please tell us which communications platforms you prefer to receive updates and information from the City. (e.g. City website, Cottage Grove Connect emails, Cottage Grove Reports newsletters, social media, community meetings or events, etc.)

The City of Cottage Grove 2025 Community Survey

Our last questions are about you and your household.

Again, all of your responses to this survey are confidential and no identifying information will be shared.

D1. In general, how many times do you:

	Several times a day	Once a day	A few times a week	Every few weeks	Less often or never	Don't know
Access the internet from your home using a computer, laptop, or tablet computer	1	2	3	4	5	6
Access the internet from your cell phone.....	1	2	3	4	5	6
Visit social media sites such as Facebook, X (formerly Twitter), etc.	1	2	3	4	5	6
Use or check email.....	1	2	3	4	5	6
Share your opinions online.....	1	2	3	4	5	6
Shop online	1	2	3	4	5	6

D2. Please rate your overall health.

☐ Excellent ☐ Very good ☐ Good ☐ Fair ☐ Poor

D3. What impact, if any, do you think the economy will have on your family income in the next 6 months?

Do you think the impact will be:

☐ Very positive ☐ Somewhat positive ☐ Neutral ☐ Somewhat negative ☐ Very negative

D4. How many years have you lived in Cottage Grove?

☐ Less than 2 years
☐ 2-5 years
☐ 6-10 years
☐ 11-20 years
☐ More than 20 years

D5. Which best describes the building you live in?

☐ Single-family detached home
☐ Townhouse or duplex (may share walls but no units above or below you)
☐ Condominium or apartment (have units above or below you)
☐ Mobile home
☐ Other

D6. Do you rent or own your home?

☐ Rent
☐ Own

D7. About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance, and homeowners' association (HOA) fees)?

☐ Less than \$300 ☐ \$2,500 to \$3,999
☐ \$300 to \$599 ☐ \$4,000 to \$6,999
☐ \$600 to \$999 ☐ \$7,000 to \$9,999
☐ \$1,000 to \$1,499 ☐ \$10,000 or more
☐ \$1,500 to \$2,499

D8. Do any children 17 or under live in your household?

☐ No ☐ Yes

D9. Are you or any other members of your household aged 65 or older?

☐ No ☐ Yes

D10. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)

☐ Less than \$25,000 ☐ \$100,000 to \$149,999
☐ \$25,000 to \$49,999 ☐ \$150,000 to \$199,999
☐ \$50,000 to \$74,999 ☐ \$200,000 to \$299,999
☐ \$75,000 to \$99,999 ☐ \$300,000 or more

D11. Are you of Hispanic, Latino/a/x, or Spanish origin?

☐ No ☐ Yes

D12. What is your race? (Mark one or more races to indicate what race you consider yourself to be.)

☐ American Indian or Alaskan Native
☐ Asian
☐ Black or African American
☐ Native Hawaiian or Other Pacific Islander
☐ White
☐ A race not listed

D13. In which category is your age?

☐ 18-24 years ☐ 55-64 years
☐ 25-34 years ☐ 65-74 years
☐ 35-44 years ☐ 75 years or older
☐ 45-54 years

D14. What is your gender?

☐ Woman
☐ Man
☐ Identify in another way → go to D14a

D14a. If you identify in another way, how would you describe your gender?

☐ Agender/I don't identify with any gender
☐ Genderqueer/gender fluid
☐ Non-binary
☐ Transgender man
☐ Transgender woman
☐ Two-spirit
☐ Identify in another way

Thank you!

Please return the completed survey in the postage-paid envelope to:
National Research Center, Inc., PO Box 549, Belle Mead, NJ 08502



To: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

From: Brenda Malinowski, Finance Director

Date: June 5, 2025

Subject: Housing and Redevelopment Authority (HRA) Preliminary Levy

Background

The Economic Development Authority (EDA) is a legal entity that was created by the City of Cottage Grove to facilitate a well-rounded program for business assistance and development projects. In addition, the City granted the EDA with Housing and Redevelopment Authority (HRA) powers in the by-laws when the EDA was established. Due to the structure of the EDA, property tax levies can be approved for both EDA and HRA activities.

EDA property tax levies can be used for economic or redevelopment activity. Currently, City Council approves an EDA property tax levy as part of the approval for the city's property tax levy. An EDA levy is subject to an .01813% estimated market value limit or approximately \$1.2 million based upon taxes payable in 2026.

In addition to the EDA property tax levy, a separate tax levy may be established to be used for housing and redevelopment activities. These levies are known as HRA levies. HRA levies can be used for the following:

- To provide a sufficient supply of adequate, safe, and sanitary dwellings to protect the health, safety, morals, and welfare of the citizens,
- To clear and redevelop blighted areas,
- To perform those duties according to the comprehensive plans,
- To remedy the shortage of housing for low and moderate residents, and to redevelop blighted areas, in situation in which private enterprise would not act without government participation or subsidies,
- In cities of the first class, to provide housing for persons for all income.

An HRA levy is subject to an .0185% estimated market value limit or approximately \$1.22 million based upon taxes payable in 2026.

The City adopted a HRA levy for the first time in 2025. For 2026, it is recommended to again have both an EDA Levy and a HRA Levy to recognize the housing and redevelopment activities that are occurring throughout the City for transparency purposes. It is proposed to levy the following:

	2024 Property Tax Levy	2025 Property Tax Levy	2026 Proposed Property Tax Levy
EDA Property Tax Levy	\$275,000	\$137,500	\$182,500
HRA Property Tax Levy	-	\$137,500	\$142,500
Total	\$275,000	\$275,000	\$325,000

The total of the two levies are based on the amount that was identified in Ten-Year Financial Management Plan that prepared in 2023. During the preparation of this plan, there was Council consensus to increase the EDA and HRA levies during the next ten years so that the City could fund development, redevelopment, and housing opportunities in the future. The increase in the HRA property tax levy will fund the increase in the personnel expenses.

Property Tax Levy Timeline

Per Minnesota Statutes, the following must occur for the adoption of the HRA property tax levy.

- By September 30th, the HRA preliminary levy shall be approved by the EDA and certified to the County. This the action at this meeting.
- By December 30th, the HRA final levy shall be approved by the EDA and certified to the County.

In addition, a Public Hearing to consider the adoption of the final levy will be held by the Economic Development Authority at a regular meeting on December 2, 2025, at 6:00 pm.

The attached Resolution 2025-01 authorizes a preliminary levy to be set on taxable property of the City of Cottage Grove, Washington County, Minnesota for fiscal year 2026, a special benefit tax levy, not to exceed \$142,500 as identified in the proposed 2026 Budget on file with the City.

Recommendation

Approve Resolution 2025-01 establishing a preliminary property tax levy to be set on taxable property of the City of Cottage Grove, Washington County, Minnesota for fiscal year 2026, a special benefit tax levy, not to exceed \$142,500 per the Proposed 2026 Budget on file with the City.

Call for a Public Hearing to consider the adoption of the final levy to be held by the EDA at their regular meeting on December 2, 2025, at 6:00 pm.

Attachments

Resolution 2025-01
HRA Preliminary Budget

**CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2025-001**

ESTABLISHING A PRELIMINARY PROPERTY TAX LEVY FOR FISCAL YEAR 2026

WHEREAS, the Housing and Redevelopment Authority of the City of Cottage Grove may request the establishment of a special benefit tax levy pursuant to Minnesota Statute 469.033, Subdivision 6; and

WHEREAS, according to this Statute, "The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of the taxable market value"; and

WHEREAS, the levy calculation per Minnesota Statute 469.033 amounts to a maximum of approximately \$1.22M based upon taxes payable in 2026.

NOW THEREFORE, Be It Resolved by the City of Cottage Grove Economic Development Authority that there be a preliminary levy set on taxable property of the City of Cottage Grove, Washington County, Minnesota for fiscal year 2026, a special benefit tax levy, not to exceed \$142,500 per the 2026 Proposed Budget on file with the City.

Adopted this 10th day of June 2025.

Myron Bailey, President

Attest:

Jennifer Levitt, Executive Director



Budget Comparison Report

Account Detail

			Comparison 1		Comparison 1		%	Comparison 2		Comparison 2		%
			Parent Budget	Budget	to Parent Budget	Budget		Budget	to Comparison 1	Budget	Budget	
Account Number	2024	2025	2025	2026	Increase /			2027	Increase /			
Fund: 280 - HRA Fund	Total Activity	YTD Activity Through Apr	2025	2026	(Decrease)			2027 FALL 2025	(Decrease)			
Revenue												
Category: 3010 - PROPERTY TAXES												
280-12-9280-3011	CURRENT PROP TAX	0.00	0.00	0.00	137,500.00	142,500.00	5,000.00	3.64%	0.00	-142,500.00	-100.00%	
Total Category: 3010 - PROPERTY TAXES:		0.00	0.00	0.00	137,500.00	142,500.00	5,000.00	3.64%	0.00	-142,500.00	-100.00%	
Total Revenue:		0.00	0.00	0.00	137,500.00	142,500.00	5,000.00	3.64%	0.00	-142,500.00	-100.00%	
Expense												
Category: 4100 - PERSONAL SERVICES												
280-12-9280-4100	SALARY-FULL TIME	0.00	0.00	7,340.46	67,000.00	71,000.00	4,000.00	5.97%	73,500.00	2,500.00	3.52%	
280-12-9280-4141	PERA	0.00	0.00	550.54	5,000.00	5,300.00	300.00	6.00%	5,500.00	200.00	3.77%	
280-12-9280-4142	FICA	0.00	0.00	540.96	5,100.00	5,400.00	300.00	5.88%	5,600.00	200.00	3.70%	
280-12-9280-4144	HEALTH INSURANCE	0.00	0.00	2,200.00	6,600.00	7,200.00	600.00	9.09%	7,900.00	700.00	9.72%	
280-12-9280-4148	WORKERS COMP	0.00	0.00	133.32	400.00	300.00	-100.00	-25.00%	300.00	0.00	0.00%	
Total Category: 4100 - PERSONAL SERVICES:		0.00	0.00	10,765.28	84,100.00	89,200.00	5,100.00	6.06%	92,800.00	3,600.00	4.04%	
Category: 4300 - CONTRACTUAL SERVICES												
280-12-9280-4300	PROF SERVICES	0.00	0.00	0.00	25,000.00	25,000.00	0.00	0.00%	0.00	-25,000.00	-100.00%	
Budget Detail												
Budget Code	Description	Units	Price	Amount								
2026	Professional and technical services	0.00	0.00	25,000.00								
Total Category: 4300 - CONTRACTUAL SERVICES:		0.00	0.00	0.00	25,000.00	25,000.00	0.00	0.00%	0.00	-25,000.00	-100.00%	
Total Expense:		0.00	0.00	10,765.28	109,100.00	114,200.00	5,100.00	4.67%	92,800.00	-21,400.00	-18.74%	
Total Fund: 280 - HRA Fund:		0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%	-92,800.00	-121,100.00	-427.92%	
Report Total:		0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%	-92,800.00	-121,100.00	-427.92%	

Budget Comparison Report

Group Summary

				Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%	Comparison 2 Budget	Comparison 2 to Comparison 1 Budget	%
2024 Total Activity				2025 YTD Activity Through Apr	2025 2025	2026 2026	Increase / (Decrease)	2027 2027 FALL 2025	Increase / (Decrease)	
Fund: 280 - HRA Fund										
Revenue										
3010 - PROPERTY TAXES				0.00	0.00	0.00	137,500.00	142,500.00	5,000.00	3.64%
Total Revenue:				0.00	0.00	0.00	137,500.00	142,500.00	5,000.00	3.64%
Expense										
4100 - PERSONAL SERVICES				0.00	0.00	10,765.28	84,100.00	89,200.00	5,100.00	6.06%
4300 - CONTRACTUAL SERVICES				0.00	0.00	0.00	25,000.00	25,000.00	0.00	0.00%
Total Expense:				0.00	0.00	10,765.28	109,100.00	114,200.00	5,100.00	4.67%
Total Fund: 280 - HRA Fund:				0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%
Report Total:				0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%

Budget Comparison Report

Fund Summary

			2025 YTD Activity Through Apr	Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%	Comparison 2 Budget	Comparison 2 to Comparison 1 Budget	%
	2024 Total Activity			2025 2025	2026 2026	Increase / (Decrease)		2027 2027 FALL 2025	Increase / (Decrease)	
Fund										
280 - HRA Fund	0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%	-92,800.00	-121,100.00	-427.92%
Report Total:	0.00	0.00	-10,765.28	28,400.00	28,300.00	-100.00	-0.35%	-92,800.00	-121,100.00	-427.92%